S. HRG. 111–252

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2010

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

UNITED STATES SENATE

ONE HUNDRED ELEVENTH CONGRESS

FIRST SESSION

ON

H.R. 2997/S. 1406

AN ACT MAKING APPROPRIATIONS FOR AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES PROGRAMS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2010, AND FOR OTHER PURPOSES

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Department of Health and Human Services: Food and Drug Administration
Nondepartmental witnesses

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AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2010

THURSDAY, MAY 21, 2009

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 2:14 p.m., in room SD–192, Dirksen Senate Office Building, Hon. Herb Kohl (chairman) presiding.

Present: Senators Kohl, Pryor, Brownback, and Bennett.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOOD AND DRUG ADMINISTRATION

STATEMENT OF DR. JOSHUA M. SHARFSTEIN, ACTING COMMISSIONER

ACCOMPANIED BY:

PATRICK McGAREY, DIRECTOR, OFFICE OF BUDGET FORMULATION AND PRESENTATION, FOOD AND DRUG ADMINISTRATION

NORRIS COCHRAN, DEPUTY ASSISTANT SECRETARY, OFFICE OF BUDGET, DEPARTMENT OF HEALTH AND HUMAN SERVICES

DR. DAVID ACHESON, ASSOCIATE COMMISSIONER FOR FOODS, FOOD AND DRUG ADMINISTRATION

OPENING STATEMENT OF SENATOR HERB KOHL

Senator KOHL. Good afternoon. We welcome you to hearing. Thank you all for coming, and we begin by welcoming Dr. Sharfstein back, this time to represent the administration's fiscal year 2010 budget request for the Food and Drug Administration.

We also are very happy to welcome Mr. Patrick McGarey from FDA and Mr. Norris Cochran from DHHS.

We're also pleased to note that Dr. Hamburg, the new Commissioner, was confirmed by the Senate on Monday. I met with Dr. Hamburg a few weeks ago and I'm certain that she will do a great job.

Dr. Sharfstein, I know that you don't need to be reminded of the importance of the agency that you represent. More than 20 percent of all consumer spending is on products regulated by the FDA. It's imperative that this agency is successful in its mission because literally people's lives depend on it.

Even though you haven't been on the job that long, you don't need to be reminded of the increased workload FDA has faced over the past decade or that the budget increases historically have not

kept pace with this workload. The effects of this have been widespread.

For example, you've inherited an agency where staff morale is low. There have been widely publicized drug safety and food safety problems resulting in low consumer confidence. Deserved or not, the FDA has earned a reputation for reacting to problems instead of preventing them, and there remains a perception the FDA is much too cozy with the industries that it regulates.

However, we have hopefully turned the corner, at least when it comes to the FDA's funding. The numbers speak for themselves. As chairman I've pushed to help FDA's budget keep pace with the challenges.

Of all the items funded by this subcommittee, FDA's increases are among the very highest. We recognize that the agency cannot continue to receive additional responsibilities without the proper resources to do the job.

For 2010, I'm pleased to see a more realistic budget request from this administration. It shows me that you are as serious about fixing the FDA as we on this subcommittee are. I will let you go over the details, of course, but here's the big picture.

The budget is $2.4 billion. This is an increase of nearly $300 million. These increases include more than $150 million for food safety and nearly $100 million for safer drugs and medical products.

I think everyone in this room can agree that these are substantial numbers. Whether or not they are the right numbers remains to be seen. I have said before and will continue to say that the answers to all of FDA's problems do not lie simply in more money.

We do not write blank checks. This money has to be spent intelligently and we must continue to question each step taken. No one expects a complete overhaul of the FDA to be done overnight, but we do expect results and, of course, we expect results soon.

Dr. Sharfstein, you are new. Dr. Hamburg is new. This entire administration is new. You've inherited an FDA with lots of problems but also ample opportunity and full support for your efforts from this subcommittee.

I'm committed to working with you during your tenure and I look forward to hearing, along with everyone else, your statement today, but before we get to that, we will be pleased to hear from Mr. Brownback.

STATEMENT OF SENATOR SAM BROWNBACK

Senator BROWNBACK. Thank you, Mr. Chairman. Welcome, panel. Appreciate you being here.

I think the chairman's outlined some of the concerns that I have, as well. That is, you've had a substantial increase in the budget portfolio, and I want to know what you've done with it.

I was looking here at the figures. The increase in FDA's appropriation is 39 percent since fiscal year 2006, and if the budget is enacted into law as requested, this year FDA will have grown by over 59 percent in 4 years in your budget. Well, we sure want to know what you're doing with that, when we'll see the results of that. So that's going to be at the core of what I'm interested in seeing that you do.

Another piece that I think is important that we've done in differing degrees in the past is making drug availability and new drug development for patients who are terminally ill who don't have other options.

Dianne Feinstein and I co-chair the Cancer Caucus in the Senate and, as many people, I have had cancer and I look at some of these things and the length of time that we're putting in studies on items for patients that don't have other options and it doesn't seem like we're getting the accessibility to a number of these when you're a terminally ill patient.

In times past, we've worked with certain groups or individuals and certainly physicians to try to make earlier stage drugs available for terminally ill patients where they and their physician agree to the use of that, and I'm told and the research that I've seen—some of the early AIDS testing and the successes we had were because FDA worked with the community and said, look, we don't know what we're really dealing with here. We've got a Tier 1 trial that's going on that looks promising. We're going to let more people try this earlier. That was one of the ways that some of these treatments were discovered.

I would love to see us try to figure a way that you could maintain safety but also get access to people who are terminally ill. It just seems almost cruel to me that in some cases you have cures that are waiting there but people die waiting for that to get approved. So I hope you can address some of that, as well.

It's a very important agency and I look forward to working with you on my tenure on this subcommittee.

Senator KOHL. Thanks a lot, Senator Brownback. We're pleased and honored to have with us today the former chairman and ranking member of this committee, Senator Bennett.

STATEMENT OF SENATOR ROBERT F. BENNETT

Senator BENNETT. Thank you very much, Mr. Chairman. I'm always delighted to be able to be here and particularly with respect to FDA, which is an agency that you and I worked together so well on to try to make sure that they got properly funded and properly taken care of.

Dr. Sharfstein, as you and I have talked, you know that I'm a strong supporter of the Critical Path Initiative and it was started to address the concern about the rising failure rate of new medical products during development and the declining number of approvals and so on, and I think perhaps Senator Brownback was talking in that same area when I came in.

This subcommittee has provided funding for the Critical Path Initiative over the past few years and in fiscal year 2008 it was $7.5 million, of which $2.5 million was for Critical Path Partnership Grants. Fiscal year 2009 it's $16 million for Critical Path and $4 million for the Partnership Grants.

Are you—have you been there enough to be able to give us some kind of evaluation of the Critical Path and where it's going and how you feel about it and what you might have in mind for it with respect to its future?

Senator KOHL. This is the opening statement.

Senator BENNETT. Oh, I apologize. That's my opening statement and I'll ask that question.

Senator KOHL. We're going to leave that question for you and think about it for awhile.

Senator BENNETT. Right.

Senator KOHL. All right. Thank you so much, Senator Bennett, and Dr. Sharfstein, we'll take your statement at this time.

STATEMENT OF DR. JOSHUA M. SHARFSTEIN

Dr. SHARFSTEIN. Great. Thank you so much. Thank you, Chairman Kohl, Senator Brownback, Senator Bennett.

I'm very happy to be here. I am Josh Sharfstein. I'm the Principal Deputy Commissioner and the Acting Commissioner but not for very long at the U.S. Food and Drug Administration.

I am pleased to present the President's fiscal year 2010 budget request for FDA.

For today's hearing, I'm joined by Patrick McGarey, the Director of the Office of Budget Formulation at FDA, and Norris Cochran, the Deputy Assistant Secretary for Budget at the Department of HHS.

In my testimony, I'm going to outline the budget request and some of the key policy initiatives. I will also just bring you a little bit up to date on what's going on on the flu situation, knowing that we had that discussion before but a sort of quick update there.

Let me start by thanking the subcommittee for exactly what you spoke to, the fact that this subcommittee has been extraordinary in its support of FDA over the past several years.

When I arrived at FDA, one of the first things I did is I asked each center to provide examples of how it's using the recent funding increases to promote public health. A key goal for FDA, and I've only been at FDA for several weeks really, but I think a key management goal is for us to be able to connect the investment of Federal dollars and taxpayer dollars to actual public health outcomes at the agency, and I got quite a lot back from different parts of FDA, and we have a document that we can share with the subcommittee that summarizes some of the things that we were able to pull together.

PUBLIC HEALTH OUTCOMES

But as some examples, FDA, in the blood area, is developing a test to identify rare strains of HIV that aren't picked up on standard HIV testing and then deploy that test around the country. FDA is working around the world to train regulators to be able to do better device inspections so that the safety of imported medical devices is improved.

FDA is developing the first hepatitis A test in food so you can actually identify hepatitis A in food which would allow for quicker identification of a problem, as well as develop rapid tests for food safety problems so we're not waiting for days with, you know, messages out to the public about particular foods. We can really identify the particular contaminant.

FDA's developing, with the funding increases, a major national network on pet food problems that involves the states and localities and veterinarians so that we don't have a situation like with mel-

amine where so much time goes by and so many animals die if there is a problem.

And FDA is working with its research component at NCTR to improve the safety of pediatric anesthesia by developing new ways to measure the use of pediatric anesthesia and the impact on children.

And then, of course, there's the flu which we talked about before, that the increase is directly related to our preparedness for flu, and, I think, right before I testified the last time, FDA had approved a facility that doubled and will eventually triple the domestic manufacturing capacity for the injectable flu vaccine and will have an immediate impact on our ability to prepare for the Fall, and that would not have been possible without the investments.

BUDGET REQUEST

So let me take a step back and talk about the budget request overall for this year. It includes $3.2 billion to protect and promote the public health through advancing FDA's work. That includes an increase of $510 million for FDA programs which is a 19 percent increase over last year. It's a historic increase and demonstrates this administration's commitment to food safety, medical product safety and the health of the American public.

It includes $295 million in budget authority and $215 million in industry user fees, and this budget organizes these increases into two initiatives, in addition to its statutory increases and increases for infrastructure. The two initiatives are Safer Food Supply and Safer Medical Products.

The budget also recommends for new user fees, including a user fee to facilitate the review of generic drugs, one to enhance FDA's ability to register and inspect feed and food manufacturing and processing facilities, one to allow FDA to reinspect facilities that fail to meet good manufacturing practice and other safety requirements, and one to allow FDA to collect fees when it issues export certifications for food and feed.

The budget also recommends new authority for FDA to approve follow-on biologics for the regulatory pathway that protects patient safety and promotes innovation.

Finally, the budget includes $5 million for FDA to develop policies to allow Americans to buy safe and effective drugs that are approved in other countries.

SAFE FOODS

Let me just briefly give some of the highlights of the two initiatives. For Safe Foods, it's a $259 million increase which includes a $164 million in budget authority and $94 million in the user fees. This will ultimately increase the number of employees by about 600, and the funding will go to various efforts.

One of them is to expand and strengthen the inspection, domestically and foreign, of facilities based on risk. More than 220 of the people to be hired will be additional inspectors.

Another will be to, and in some ways more important, to implement a new strategic framework for an integrated national food safety system, so the Federal, State and local systems are not operating kind of just in their own world, so that it's truly one inte-

grated system, and that's going to require an upfront investment but will have many different benefits because what we're able to do, if we can accomplish this, is leverage the existing investment in food safety at the State and local level and increase the quality of that work to the point where we can—the Federal Government and the States are really working as partners. I'm happy to talk more about that.

FDA is planning to improve its understanding of food vulnerabilities and risks which will be the basis of a risk-based system of inspection and to develop standards and regulations that build food protection into the complete life cycle from food production to food consumption.

In addition, in terms of outbreaks, FDA is investing in actions to allow it to more quickly identify food outbreaks and trace the contamination to its source, to better communicate risks with the public and to expand the capacity of laboratories.

And finally, FDA is making a major investment in information technology which will help us provide a much stronger base for all of FDA's efforts in food safety, identify key suppliers into the United States and be able to identify risks of the products that are coming in, so we don't feel like we have to do inspections on every single product. We can be more strategic about how we're using resources.

SAFER MEDICAL PRODUCTS

As far as safer medical products, this effort both relates to the manufacture and the use of the products. It's $166 million. It includes a $120 million in increased budget authority and about $50 million in generic drug user fees and reinspection user fees.

It would have FDA hire about 300 more people and expand programs related to medical product safety and included in this are, again, increased numbers of inspections, both foreign and domestic.

The Center for Biologics would hire additional safety experts for blood, tissue and vaccine safety teams and develop additional screening tests for emerging bloodborne diseases.

The Center for Devices would implement the safety requirements that were called for in the Food and Drug Administration Amendments Act of 2007 which include analyzing adverse event information in children and inspiring more pediatric trials for medical devices.

It also has a focus on eye medical devices which have been a cause of a number of outbreaks recently.

SAFE DRUGS USE

The Center for Drugs would have funding to support how to best use risk evaluation mitigation strategies to minimize drug risks and promote safe drug use and would also conduct research on bioequivalent standards for generic forms of new products, such as metered dose inhalers, topical drugs and other different kinds of products.

ANIMAL BIOTECH PRODUCTS

The Center for Veterinary Medicine would conduct scientific and risk evaluation of animal biotech products, regulate approvals for new animal biotech products, and coordinate United States and foreign regulation on animal health issues; and there'd be additional research funded through the National Center for Toxicological Research in Arkansas to analyze the consequences of human exposure to nano-scale materials, which is very important for this field moving forward.

And again, there's a significant investment in information technology, including systems to help facilitate and streamline the approval process.

LEGISLATIVE INITIATIVES

I'd just briefly mention that there are legislative initiatives that are implied by the budget. They include the Generic Drug User Fee Program and the Follow-On Biologic Pathway which would have to be approved by Congress.

Let me just very, very briefly give you an update on the one area where I think—and this speaks to, I think, Senator Brownback's point, which is that I think you could look at this budget and say you've got a safer food supply as a goal and a safer medical supply as a goal and it's hard to argue with those things, but what about the fact that there are people who are dying who need new treatments which does not exactly fit under—you know, obviously fit under the safer part, and I think that's something that Dr. Hamburg and I take very seriously in this job.

I think there is some connection insofar if we can develop the safety systems that give us more assurance that we have understanding of the products that gives more confidence for earlier approval of products because we can watch what's happening to them closer and not feel that everything rests on the approval decision.

So I do think there's a connection, that you can have an approval with a plan to monitor it and have confidence in that and then that allows you to feel more comfortable about early approvals, but I also think that one of the things that's very important is for FDA not to think of itself as purely an agency that just sits back and waits for things to come through the door.

When there are opportunities or challenges to public health, there are opportunities for science, we want to make sure that the agency is reaching out to the researchers and the companies that have particular breakthrough products that are available and facilitating the pathway to approval, talking to them early about what would be necessary to demonstrate safety and efficacy, and I think one of those—the example of that in the short time that I've been at FDA relates to the flu.

H1N1 FLU VIRUS

And we've talked a little bit about what the agency has done with the flu, but we're still operating in an incident command management structure where we have dedicated teams and we're really focused on what would it take to best protect the public if the flu were to become a major problem, and even though, since we last

spoke, I think maybe concern for this particular wave of the flu may have diminished somewhat, I think there's still considerable concern that when the regular flu season hits, that it could come back pretty strongly and that we have to be thinking a step ahead and all the teams that I discussed before are still working and I'll just give you a very brief update.

ANTIVIRAL TEAM

The antiviral team is out knocking on the doors of companies that have potential products that could be used to treat severely old people with flu, and they're trying to identify pathways, some of which are experimental pathways, to make those products available in case there are a lot of people who are sick.

SHORTAGE TEAM

The shortage team is already reaching out to the IV suppliers, the makers of antibiotics as well as the makers of antivirals, to make sure that there's an adequate supply if there were to be a major stress on the medical system this fall.

VACCINE TEAM

The vaccine team has really been doing a tremendous amount of work pulling together the basic protocols with other regulatory agencies and the companies to study vaccines. They are also continuing to work with the various strains of the virus so it can be produced into a vaccine strain.

BLOOD TEAM

The blood team is working to monitor the blood supply. There have not been any concerns there.

DIAGNOSTIC TEAM

The diagnostic team is working aggressively with companies and the CDC to identify more diagnostics. That test that FDA approved in the first like 72 hours of its work has now been distributed to, I think, more than 40 States and over a 100 countries and has really made a big difference to the world's ability to identify this and has really reduced the level of, I think, anxiety which is one reason why the World Health Organization has not gone all the way up to a Level Six pandemic designation.

CONSUMER PROTECTIVE TEAM

And finally, the consumer protection team has been working and has issued more than 30 warning letters, and I'll just tell you one of the most recent ones cited a company that was selling a formula that said will kill the virus within a few hours and automatically eliminate all your symptoms, and there was another one that said scientifically proven only to kill swine flu and bird flu but also MRSA, SARS, malaria, anthrax, TB, Bubonic plaque and sexually-transmitted diseases. So those products are getting some enforcement action and are coming off the Internet.

PREPARED STATEMENT

So I think that, in conclusion, this is a time of opportunity, of incredible challenge for the agency, but also a time of opportunity. This budget really does support the agency's ability to move forward and protect the public, but I think we realize that we're going to have to deliver. We're the new team at FDA and that we're going to have to come back and demonstrate what these increased resources are doing for the health of the American people and look forward to working with you to accomplish that.

[The statement follows:]

PREPARED STATEMENT OF DR. JOSHUA M. SHARFSTEIN

INTRODUCTION

Chairman Kohl, Ranking Member Brownback and members of the Subcommittee, I am Dr. Joshua M. Sharfstein, Principal Deputy Commissioner and Acting Commissioner at the U.S. Food and Drug Administration. I am pleased to present the President's fiscal year 2010 budget request for the Food and Drug Administration (FDA). For today's hearing, I am joined by Patrick McGarey, FDA's Director of the Office of Budget Formulation and Presentation and Norris Cochran, Deputy Assistant Secretary for Budget at the Department of Health and Human Services.

In my testimony today, I will outline FDA's fiscal year 2010 budget request and the policy initiatives that we are advancing in our budget. I will also summarize recent developments related to the 2009-H1N1 Flu Virus outbreak and describe how FDA's budget for pandemic preparedness allowed us to prepare for and respond to the 2009-H1N1 Flu Virus.

RECENT FUNDING INCREASES

The funding that this subcommittee appropriated to FDA for fiscal year 2008 and fiscal year 2009 demonstrates your strong commitment to the public health mission of FDA and the health of the American public. Thank you for your support.

When I arrived at FDA, I asked each FDA center to provide examples of how they are using the recent funding increases to promote public health and achieve mission priorities. A key goal for FDA is to directly connect the investment of Federal dollars to public health outcomes.

FDA 2010 BUDGET REQUEST

Overview

The President's fiscal year 2010 budget request for FDA includes $3.2 billion to protect and promote the public health. The budget contains an increase of $510.6 million for FDA programs, which is a 19 percent increase compared to the fiscal year 2009 budget. This is an historic increase in the FDA budget and demonstrates the administration's commitment to food safety, medical product safety, and the health of the American public.

The fiscal year 2010 increase of $510.6 million includes increases of $295.2 million in budget authority and $215.4 million in industry user fees. The FDA budget organizes these increases into initiatives for fiscal year 2010. Our two major initiatives are Protecting America's Food Supply and Safer Medical Products. The budget also includes $74.4 million for statutory increases for user fee programs in current law and increases for infrastructure to support FDA's mission.

The FDA fiscal year 2010 budget recommends four new user fees. The new user fees will facilitate the review of generic drugs, enhance FDA's ability to register and inspect food and feed manufacturing and processing facilities, allow FDA to reinspect facilities that fail to meet good manufacturing practices and other safety requirements, and allow FDA to collect fees when it issues export certifications for food and feed.

The fiscal year 2010 budget also recommends new authority for FDA to approve generic biologics through a regulatory pathway that protects patient safety and promotes innovation. Finally, the budget also includes $5 million for FDA to develop policies to allow Americans to buy safe and effective drugs from other countries.

Supply Chain Safety and Security

The globalization of the manufacturing and supply of foods and medical products that FDA regulates and Americans consume poses unique and demanding challenges for FDA. In the complex and rapidly changing environment driven by globalization, FDA cannot rely solely on traditional approaches—inspection and sampling at the U.S. border—to protect Americans and ensure the safety of foods. Rapid globalization requires that FDA implement new approaches and conduct a broader range of activities to effectively regulate the supply chain for foods and medical products.

Supply Chain Safety and Security is an overarching principle that applies to both food and medical products. Supply Chain Safety and Security holds all segments of industry accountable for ensuring that their products meet U.S. safety standards.

Key components of this initiative include: identifying products and processes at high risk for earlier and more comprehensive attention; establishing reasonable and effective regulations and other standards; increasing FDA inspections; increasing effective third-party inspections; and collaborating with local, state and international partners.

Protecting America's Food Supply

For fiscal year 2010, FDA proposes an increase of $259.3 million for food safety activities. This increase includes $164.8 million in budget authority and $94.4 million in three new user fees: Food Inspection and Registration User Fees, Reinspection User Fees related to food facilities, and Export Certification User Fees for food and feed products.

To outline the key investments with the new fiscal year 2010 resources:

—FDA will hire 678 additional full-time equivalent staff to expand programs and activities that protect America's food supply.

—FDA will fund the cost of living pay adjustment for FDA professionals that conduct food product program activities. (+$12.9 million)

—FDA will increase domestic and foreign risk-based inspections, conduct more audits of controls designed to prevent contamination, establish three additional high volume laboratories, and conduct more food safety intervention, sampling and surveillance through our Office of Regulatory Affairs. The fiscal year 2010 budget increase will allow FDA to hire more than 220 additional investigators. When fully trained and deployed, the new investigators will enable FDA to conduct the following additional field activities, based on the fiscal year 2010 increases in budget authority and user fees proposed in this initiative:
  —4,000 additional domestic food safety inspections
  —100 additional foreign food and feed inspections
  —20,000 additional import food and feed field exams
  —3,000 additional samples for analysis in FDA laboratories. (+$101.7 million)

—FDA will begin to implement a new strategic framework for an integrated national food safety system. Under this framework, FDA will build and expand existing programs and relationships with its regulatory partners: our Federal, State, local, tribal and territorial partners. This will allow FDA to increase information sharing and improve the quantity and quality of food safety data that FDA receives from its food safety partners. (+$14.6 million)

—FDA will work with all stakeholders to better ensure that food protection is built into the complete lifecycle, from food production to food consumption. (+$6.0 million)

—FDA will improve its understanding of food and feed vulnerabilities and risks. This will include improving FDA's ability to use baseline data to measure the impact of food safety efforts and to track the status of foodborne illnesses in the United States. Achieving a better understanding of vulnerabilities and risks will allow FDA to adjust food and feed safety priorities and ensure that food programs achieve the best health benefit for the American public. (+$4.0 million)

—FDA will improve its ability to detect signals of contamination and also improve its ability to collect and analyze adverse events for food and feed. (+$9.8 million)

—FDA will respond more quickly to foodborne outbreaks and will improve its ability to quickly trace contamination to its source. (+$12.2 million)

—FDA will improve risk communication during a food safety event so that the public can respond promptly to FDA alerts and protect themselves from harm. (+$1.6 million)

—FDA will increase the capacity of the Food Emergency Response Network by establishing three new laboratories for chemical analysis. (+$3.3 million)

—FDA will further develop an integrated genomic data base for Salmonella and conduct research to reduce knowledge gaps. (+$0.8 million)
—FDA will charge fees to cover the cost of reinspecting FDA-regulated facilities that fail to meet good manufacturing practices or other FDA requirements. (+$15.3 million)
—FDA will charge fees to cover the cost of issuing export certificates for food and feed. (+$4.2 million)
—FDA will upgrade and integrate information technology systems, including systems that we use to screen, sample, detain and take enforcement actions against imported food and feed products that violate FDA safety standards. (+$49.9 million)

Safer Medical Products

There are three components of FDA's Safer Medical Products initiative. Like the food safety initiative, the first component relies on the principle of supply chain safety and security. The goal is to protect American patients from contamination or other manufacturing flaws that could harm patients. The second component will address patient-product interactions that generally do not relate to manufacturing flaws. FDA will improve the safety of human drugs, vaccines, blood and other biological products, medical devices, and animal drugs and medicated feed by hiring additional safety experts to analyze adverse events associated with these products. FDA will also identify safety problems through active surveillance of third party healthcare data. The third component focuses on increasing access to affordable generic drugs, granting FDA new authority to approve generic biologics, and allowing Americans to buy safe and effective drugs from other countries.

For fiscal year 2010, FDA proposes an increase of $166.4 million for medical product safety. This increase includes $119.9 million in budget authority and $46.6 million for Generic Drug User Fees and Reinspection User Fees related to medical product facilities.

To outline the key investments with the new fiscal year 2010 resources:

—FDA will hire 346 additional full time equivalent staff and expand programs and activities related to medical product safety.
—FDA will fund the cost of living pay adjustment for FDA professionals that conduct medical product program activities. (+$16.7 million)
—FDA will improve the safety and security of foreign and domestic sources of ingredients, components, and finished products throughout the supply chain—including their eventual use by patients in America—through increased inspections and through activities conducted by the Office of Regulatory Affairs. (+$12.2 million)
—FDA's Center for Biological Research and Evaluation (CBER) will hire additional safety experts for its blood, tissue and vaccine safety teams. This will strengthen the ability of safety teams to analyze emerging safety threats. CBER will modernize blood, tissue and vaccine standards to improve product safety and quality. CBER will also provide increased training to support product development and improve product safety. (+$5.7 million)
—CBER will develop new screening tests for emerging blood-borne diseases. CBER will review vaccine and tissue data to identify safety signals. CBER will also develop quality systems for product testing and lot release of biological products and will provide additional support for safe development and manufacturing of cell, gene and tissue therapies. (+$2.3 million)
—CBER will provide increased technical support to FDA field operations as they conduct foreign and domestic inspections of biologic products. (+$1.3 million)
—FDA's Center for Devices and Radiological Heath (CDRH) will implement safety requirements related to the FDA Amendments Act (FDAAA). To support FDAAA safety activities, CDRH will collect and analyze adverse event information related to medical devices from pediatric hospitals. CDRH will conduct a pediatric medical trials workshop to address unmet pediatric device needs. CDRH will improve device safety by hiring experts to evaluate software used in medical devices. CDRH will hire staff to provide technical support to FDA foreign offices and to support FDA field operations as they conduct foreign and domestic device manufacturing inspections. (+$9.5 million)
—CDRH will develop new safety tests and strengthen postmarket safety reviews of ophthalmic medical devices. CDRH will also develop and validate new clinical trial methods for imaging devices. (+$1.7 million)
—FDA's Center for Drug Evaluation and Research (CDER) will evaluate how best to use Risk Evaluation and Mitigation Strategies to minimize drug risks and promote safe drug use. (+$3.4 million)

—CDER will also conduct research on bioequivalence standards for generic forms of novel products such as metered dose inhalers, topical drugs and complex dosage forms such as liposome products. (+$2.5 million)
—CDER will identify and improve enforcement against Internet sites that expose consumers to unapproved products and fraud. (+$2.0 million)
—FDA's Center for Veterinary Medicine will conduct scientific and risk evaluation of animal biotechnology products, regulate approvals for new animal biotechnology products, and coordinate United States and foreign regulation on animal health issues within FDA's jurisdiction. (+$0.5 million)
—FDA's National Center for Toxicological Research (NCTR) will conduct studies to analyze the consequences of human exposure to nanoscale materials. These studies will provide the scientific basis for issuing FDA guidance on the safe and effective use of nanoscale particles in the products that FDA regulates. ($1.0 million)
—NCTR will develop noninvasive techniques to better understand the risks of anesthetic use in children. (+$0.2 million)
—FDA will develop policies to allow Americans to buy safe and effective drugs from other countries. (+$5.0 million)
—FDA will provide greater access to affordable generic drugs and improve the productivity of generic drug review through a new user fee program. (+$36.0 million)
—FDA will strengthen the safety of the supply chain through a new user fee program to charge fees to cover the cost of reinspecting FDA-regulated facilities that fail to meet good manufacturing practices or other FDA requirements. (+$10.6 million)
—FDA will modernize and enhance information technology, including systems that we rely on to collect, store and analyze the large volume of regulatory, scientific, and risk based information necessary to assure the safety and effectiveness of medical products. (+$40.1 million)

Legislative Initiatives for Safe, Affordable Drugs

The budget request supports greater access to affordable generic drugs, recommends new authority to approve generic biologics, and allows Americans to buy safe and effective drugs from other countries.

In the coming years, patents will expire on more than a dozen blockbuster brand-name drugs that account for tens of billions of dollars in prescription spending annually. Generic competition for these drugs will likely be very strong. It is imperative that FDA have the resources to ensure the safety, quality, and therapeutic equivalence of generic drugs and allow Americans to benefit from the savings from lower cost generic drugs. To meet this priority, FDA's fiscal year 2010 budget includes $36 million in new user fees to support drug review for new generic products.

The administration will also accelerate access to affordable generic biologics by working with Congress to establish a workable and scientifically sound regulatory pathway for approval of generic versions of biologic drugs.

Current Law User Fees

FDA user fee programs facilitate enhanced premarket review performance and the timely availability of safe and effective medical devices, human and animal drugs, biological products, and other FDA-regulated products. The fiscal year 2010 budget request includes increases of $74.4 million for existing user fee programs, as authorized by law. The increases expand the available options for treating and curing diseases and other health problems.

Annual Cost of Living Adjustment

FDA can only achieve its mission and fulfill its responsibilities if it has sufficient resources to pay the scientific, professional, and technical staff required to conduct food safety and medical product safety programs. The ongoing experience with the outbreak of 2009-H1N1 Flu Virus demonstrates the importance of maintaining pay rates to attract and retain top-notch scientists and professionals. The fiscal year 2010 budget includes $29.5 million for the annual cost of living adjustment for employees in FDA's food and medical product programs.

Delivering the FDA mission is a personnel-intensive effort. FDA performs its public health mission through a highly trained professional workforce. Personnel and related costs account for 78 percent of FDA's annual expenditures. To maintain its strong science and regulatory capability, FDA must employ, train, develop, and retain highly trained professionals to perform the mission critical work of protecting public health.

Infrastructure to Support FDA Operations

Like the annual cost of living adjustment, the fiscal year 2010 budget increase to pay higher rental costs and other costs for the buildings that FDA occupies will allow FDA to perform its public health mission. FDA's fiscal year 2010 budget contains $14.0 million in budget authority for increased GSA rent and related costs of the space that we occupy.

FDA 2009-H1N1 FLU VIRUS RESPONSE

FDA plays a vital role in preparing for, and responding to, public health challenges such as the one presented by the 2009-H1N1 Flu Virus. FDA is part of the team led by the Department of Health and Human Services.

Since the beginning of the 2009-H1N1 Flu Virus outbreak on Thursday, April 23, FDA has worked closely with HHS, our sister HHS agencies, other U.S. government agencies, the World Health Organization (WHO), and foreign governments.

As soon as we became aware of the 2009-H1N1 Flu Virus outbreak, I asked Dr. Jesse Goodman, FDA's Acting Chief Scientist and Deputy Commissioner for Scientific and Medical Programs, to coordinate and lead FDA's efforts on the 2009-H1N1 Flu Virus. Dr. Goodman leads an incident management approach that includes seven substantive teams. The teams are cross-cutting and include staff from across FDA as needed. The teams include: Vaccine Team, Antiviral Team, In Vitro Diagnostics Team, Personal Protection Team, Blood Team, Shortage Team, and the Consumer Protection Team. These teams work with the Office of the Assistant Secretary for Preparedness and Response (ASPR), the Centers for Disease Control and Prevention (CDC), other HHS agencies, and national and international partners.

FDA's management approach to respond to the outbreak is flexible and likely to change over time. It has already changed in response to evolving events.

Emergency Use Authorizations

Under the Project Bioshield Act of 2004 (Public Law 108–276), Congress added section 564 to the Federal Food, Drug, and Cosmetic Act. Section 564 establishes criteria that permit the FDA Commissioner to issue an Emergency Use Authorization, following a determination and declaration of a public health emergency. An Emergency Use Authorization allows the use of an unapproved product or of an approved product for an unapproved use.

On Sunday, April 26, 2009, the Acting HHS Secretary issued a determination that a public health emergency exists involving 2009-H1N1 Flu Virus. In the days that followed, the Acting Secretary issued declarations under section 564 justifying emergency use of certain antivirals, in vitro diagnostics, and personal respiratory protection devices.

Based on the Acting Secretary's actions, and using our authority under the Project BioShield Act, on April 27, 2009, FDA issued four Emergency Use Authorizations in response to requests from the CDC. Two of these Emergency Use Authorizations extend the circumstances in which two FDA-approved drugs, Relenza and Tamiflu, can be used to treat and prevent the 2009-H1N1 Flu Virus. A third Emergency Use Authorization makes available a test for diagnosing infection with the virus. The fourth authorizes the emergency use of certain personal respiratory protection devices, specifically certain disposable respirators certified by CDC's National Institute for Occupational Safety and Health, known as N95 respirators. The emergency use authorization for N95 respirators only relates to requirements under the Federal Food, Drug and Cosmetic Act, not other requirements such as the standards for safety in the workplace administered by the Department of Labor. On May 2, FDA issued a fifth Emergency Use Authorization for a first tier test for patient specimens with suspected 2009-H1N1 infection. Taken together, these authorizations allow CDC and State and local responders to take actions that help meet the medical and public health threat.

All seven of the FDA teams are working to ensure a comprehensive response to the 2009- H1N1 Flu Virus. I would like to highlight FDA's work in two areas, developing a vaccine and protecting consumers.

Developing an H1N1 Vaccine

FDA's Vaccine Team is working to facilitate the availability of a safe and effective vaccine to protect the public from the 2009-H1N1 Flu Virus as soon as possible, in the event that a vaccine is needed to protect the American public. Members of the team are working collaboratively with CDC and other partners in efforts to grow and genetically engineer the 2009-H1N1 Flu Virus in the laboratory for possible use in a vaccine. FDA is also beginning to prepare reagents that will be essential to help manufacturers produce and test the vaccine.

In a related development, on May 6, FDA announced that it approved a new manufacturing facility to produce influenza virus vaccines. The facility, located in Swiftwater, Pennsylvania, is owned and operated by Sanofi Pasteur and will greatly increase vaccine production capability. The facility is approved for seasonal influenza vaccine production, and the facility could also be used to produce vaccine against the new 2009-H1N1 influenza strain.

As we work to develop a safe and effective vaccine, FDA is also participating in the analysis of whether an H1N1 Flu Virus vaccine should be deployed later this year to protect the American public. Decisions about whether to deploy an H1N1 vaccine will be independent of the decision to produce a vaccine.

Protecting Consumers

FDA's H1N1 Flu Virus consumer protection team works to safeguard consumers from fraudulent and potentially dangerous FDA-regulated products or other promotions for products that claim to diagnose, prevent, mitigate, treat, or cure the 2009-H1N1 Flu Virus. Deceptive products are being sold over the Internet take advantage of the public's concerns about H1N1 influenza and their desire to protect themselves and their families. The fraudulent products come in all varieties and could include dietary supplements or other food products, or products purporting to be drugs, devices or vaccines.

FDA has an aggressive strategy to identify, investigate, and take action against individuals or businesses that wrongfully promote products in an attempt to take advantage of this current public health emergency. FDA issued warning notices to more than 30 Internet sites that we believe are wrongfully promoting products to consumers. We have also invited the public to voluntarily report suspected criminal activity, Websites and other promotions for products that claim to diagnose, prevent, mitigate, treat or cure the 2009-H1N1 influenza virus.

Fiscal Year 2006 Influenza Pandemic Funding

As I mentioned in my May 7, 2009 testimony, during fiscal year 2006 this subcommittee had the foresight to appropriate $20 million to FDA for pandemic influenza preparedness in an emergency supplemental appropriation. FDA invested pandemic influenza supplemental funding in three key areas that are critical to America's preparedness for an influenza pandemic: strengthening our capacity to expedite the development of flu vaccines, conducting essential monitoring and inspection of flu vaccine manufacturers, and conducting FDA-wide pandemic planning and preparedness activities. This $20 million supplemental became part of FDA's base resources and allowed FDA to achieve a higher state of preparedness for events like 2009-H1N1 Flu Virus outbreak. Because of the work begun in 2006, FDA is better prepared for today's response to the 2009-H1N1 Flu Virus.

CONCLUSION

Our fiscal year 2010 budget of $3.2 billion will allow FDA to strengthen the safety of the food supply and to anticipate and address safety signals that emerge from the use of the drugs, biologics and medical devices that FDA regulates. Our fiscal year 2010 increase will allow the dedicated professionals at FDA to help ensure that Americans benefit from a safe and wholesome food supply and from medical products that sustain and improve their lives. Achieving our mission is possible because of your support for the work of the Food and Drug Administration.

Thank you very much for the opportunity to testify. I welcome your ideas and your questions.

Senator KOHL. Thank you very much, Dr. Sharfstein. You've been the Acting Director now for some 6 or 8 weeks. Very soon Dr. Hamburg will come become the Director and you will be bumped down to Number 2. Are you looking forward to that, Dr. Sharfstein?

Dr. SHARFSTEIN. I think, with the possible exception of Dr. Hamburg herself, I may have been the most happy person to see her confirmed by the Senate.

Senator KOHL. You mean you don't like having to respond to us directly?

Dr. SHARFSTEIN. You know, I was very, very pleased to be able to represent the agency at this hearing, I'll tell you that, but it is—and it has been a tremendous honor and I think I have had the

incredible opportunity to get to know Dr. Hamburg over the last couple months and I'm just really excited to work for her.

Senator KOHL. Good. If asked for your judgment on the adequacy of this budget request, what would you say? Is it enough?

Dr. SHARFSTEIN. I think it's enough for major progress for FDA.

SUPPLEMENTAL FUNDS

Senator KOHL. All right. Last year FDA was provided with a $150 million in supplemental funds. As of March 31 only $30 million has been obligated. These funds expire now in just 4 months.

Can you expect to responsibly spend this additional money in that brief period of time and how?

Dr. SHARFSTEIN. Sure. I do believe we can expect to responsibly spend that, and I'm going to ask Patrick McGarey to talk about some of the details, but before I do that, I think it's important to note that there are a couple major efforts that are going forward to spend that money, one of which has been the hiring.

HIRING AND IT

FDA has hired quite a number of new staff and that is continuing pretty briskly, but the other major one is information technology investments and what is going on now is that the agency has been working to best define those investments and then it will make those investments and it will lock up the money, but the thinking, the thought behind those investments is what's the reason that it wasn't spent yet, but it will be spent and it will be put into, you know, kind of the contracts and other vehicles that will bring those investments about, and those are things that seem pretty basic in some cases.

People can file their submissions electronically and then people can file for adverse events reports electronically and the agency can have a better opportunity to investigate things or things that are really essential to kind of have FDA in a modern regulatory agency's position, and I think that the agency's been doing the right thing to think carefully about those investments and I know Dr. Hamburg is going to want to take a look at them and then when we're really sure that's when we'll pull the trigger on tying up those funds.

Patrick, is there anything else you want to mention?

Mr. MCGAREY. You covered it very well. We expect, with our IT investments, which are the heaviest piece, to launch in the coming quarter—excuse me—that the IT investments will launch in the coming quarter and there will be a large amount that will move into priority IT areas. I think that just buttresses what Dr. Sharfstein said.

STRATEGIC FRAMEWORK

Senator KOHL. All right. Dr. Sharfstein, does the $14.6 million "strategic framework" for food safety include implementation of FDA's Food Protection Plan? Can you provide some detail on this? In particular, will the FDA need to change its structure or its current activities?

Dr. SHARFSTEIN. $14.6 million, I think, relates to what we'd like to do with States and localities, and this is a multiyear investment. It's really to transform FDA's relationship with States and localities on food safety so that when the State—I recently met with a company that said on Monday they get a Federal inspection, sometimes Tuesday they get a State inspection, on Wednesday they get a local inspection and sometimes they're done by the same person, you know, who just pulls out a different clipboard and is, you know, checking stuff down.

We hear all this about there not being enough inspectors but what's going on, and it's a fair question, and I think it's very clearly understood that there's not the kind of coordination. By coordination, I don't mean just the FDA hiring the State contractors which is what goes on now, to a certain extent, but really it's an integrated system where if the State goes out, FDA has confidence that that inspection is good.

And there was really a report that was funded by the Robert Wood Johnson Foundation that really set out a vision for that kind of system and this is really a big step, this $14.6 million, to start to move to that. It's going to require FDA to develop a significant training capacity. It's going to require States to want to engage. There's some money in there for the States to be able to spend money, to hire people, to upgrade their level of food inspections, and I think that is going to pay off a lot.

There's something like $700 million of States and localities spending on food inspections now, but if FDA doesn't have the confidence and if there are gaps in those inspections or they're not at the right, you know, level, then that money is not being spent as well as it should be.

If we can invest some in increasing the training and we can give some money to States to be able to do it, then we're leveraging that $700 million to really strengthen the overall food safety system.

Now to your point on the FDA's organization, I think that's something that I know Dr. Hamburg and I are going to look at very seriously. I think it's clear that the responsibilities for food are stretched over different areas of FDA.

One thing that I've done since I began is every morning at 7:45 I bring everyone related to food, that's the Office of Regulatory Affairs, the Associate Commissioner for Food, the SIFSAN, the Center for Veterinary Medicine, together and we have met on different food safety issues and that includes active outbreaks as well as policy issues.

On Thursdays we do a call with USDA and on Friday we do a call with CDC, I think since day three on the job. So I think that we've started the process of pulling the food together, and I think we're going to be looking with Dr. Hamburg's confirmation at structural issues that could facilitate that.

Senator KOHL. Good. Senator Brownback.

Senator BROWNBACK. Thank you, Mr. Chairman. I appreciate that.

ACCESS ACT

On the new drug—this Access Act, I put this bill forward with various co-sponsors, bipartisan bill, over a number of years.

Why can't the agency do this? It just seems almost inhumane what we're doing to some people that don't have another option, and I want you to have safe drugs out there. There's no question about it, but if somebody's in a terminal situation with cancer or another disease and there is something here that they could try that's showing some promise early, they're in many cases not able to get into clinical trials because they're not healthy enough to get into clinical trials, why can't we do this? Why can't you do that?

Dr. SHARFSTEIN. Thank you. I think that's an absolutely reasonable question to ask, and I have, you know, met with patients who have faced incredible challenges and sometimes it's been experimental therapies that have been the things that have saved their lives.

EXPERMENTAL DRUGS

I think that there are three different issues that I want to tease out. The first is communication. There are—FDA has the responsibility to make the pathways that are available to get experimental drugs as widely available as possible. So FDA—it's very important that there are different mechanisms that doctors and companies can use to access drugs in the pre-approval stage and it's important and one of the things we'll be focusing on is making sure that those mechanisms are as widely available as possible. That's just one of three points I want to make.

The second one is data, and I've been impressed and I've talked to people on all sides of this issue, had extensive conversations with people who are very strong supporters of your legislation, and I've also met with people who have different views on it, and the one thing that struck me is how little data we have on what the barriers are, what the point of the barrier is, and what I mean by that is I'd like to know, walking into this discussion, of 500 patients with severe, you know, life-threatening illness who want experimental drugs who can't—you know, what percent get them either by enrolling in a trial or, you know getting them through one of the existing pathways at FDA?

What percent is it that the company is not willing to apply for an IND or some mechanism or they are applying and FDA is not granting it, and so, I mean, to me having some basic data to understand this, and what I've found is that people around this issue on all sides all agree that there is need for more data there, and some of that, I believe, exists within FDA, and we should be able to get that.

We should—I would like to know when people do apply for these INDs what the rate of approval is and when we're approving them and when not and why. So I think that that's got to be part of what informs policy.

Senator BROWNBACK. And you're going to start shaping that database?

Dr. SHARFSTEIN. Yes, I do want—one of the goals is to get data that allow us to identify the point, the rate-determining step. I'm not sure exactly what that is.

And the third thing is flexibility and I think both Dr. Hamburg and I are going to go into this with an open mind about it. I do understand the issue that it's very important for there to be data

about the effectiveness of new drugs because without that data, you——

Senator BROWNBACK. It's the Wild West on the Internet without that data.

Dr. SHARFSTEIN. Right.

Senator BROWNBACK. I mean, it's just people putting all sorts of things out there and when you're in that type of situation you're willing to listen to about anything.

Dr. SHARFSTEIN. Well, there's a very, you know, disturbing report in the Chicago Tribune about an approach that people are using for autism that a lot of people feel like is potentially dangerous to kids and, you know, you have to—FDA has a responsibility on both sides, a responsibility that people aren't exposing themselves to, you know, risk without benefit but also where there is benefit and people can make a reasonable decision to help them do that, at the same time understanding the need for, you know, real evidence about the products.

Senator BROWNBACK. I hope we can work with you and the incoming Director of the FDA to maybe get some of these specific steps taken care of so we can make it more accessible.

Dr. SHARFSTEIN. I'll tell you, I talked to David Kessler before I took this job and what he said to me was when he looks back on his time at FDA, the thing that he's most proud of is getting the medications for HIV patients.

Senator BROWNBACK. Yeah. It was a fabulous move and they really sped it up and thankfully because they did people lived and now we're slowing it down for a lot of others and people die.

I can get you the studies from the groups and I'm sure you've seen these numbers of tens of thousands of people dying waiting for a drug to get on the market and in many cases that is eventually approved and then they die waiting and that's what just—you look at it and you think that's just cruel.

But I hope you can work with us on this because I thought what Kessler did was spot on when he looked at this real crisis that was existing and we've got a cancer crisis now. I hope you can work with this on that.

Thanks, Mr. Chairman.

Senator KOHL. Thank you very much, Senator Brownback.

Senator Pryor is here from Arkansas. Senator Pryor, you have a full 5 minutes.

NCTR

Senator PRYOR. Thank you very much, Mr. Chairman. Thank you for your leadership on this.

Let me ask, if I may, Dr. Sharfstein, about an FDA facility that's actually located in my State, the NCTR, National Center for Toxicological Research. Are you familiar with that center?

Dr. SHARFSTEIN. Yes, not only that, I think its director is behind me here.

Senator PRYOR. Great. And——

Dr. SHARFSTEIN. I'm looking forward to visiting.

Senator PRYOR. Good. Well, I know that the administration's asked for $1 million to do some nano research there, to research the effects of nano technology which I think is important research,

and I think it needs to be done because obviously nano technology offers a lot of promise in the future, but we need to be very clear about the health risks before we go forward.

And my question for you is, if you know, is $1 million enough to do an adequate job or at least get an adequate start on that research?

Dr. SHARFSTEIN. Let me just check. I think that the money actually pays for some pretty important equipment. I think it is going to pay for if not an electron microscope then the actual materials to support the electron microscope and an electron microscopy technician.

So it allows the—it's sort of an investment in the ability of NCTR to do critical research on nano technology, and I think your point is extremely important and this is, I think, a point that is very important for FDA generally. This is a new field and if there's an unforeseen safety problem, it could really hurt the field, but by having good data and doing sensible regulation, then we provide confidence to that field. It can grow. It can become a big, you know, improve—you know, could create all sorts of products that are beneficial to public health.

So this is not a situation where regulation and the, you know, interests of industry are at odds. In fact, if we can do sensible regulation, we establish safety, then you could imagine that, you know, 20 years from now people would be looking back and seeing it as just the birth of a whole movement in nano technology.

Senator PRYOR. Right. And the other part is not just nano products generally but I know there's some real potential for medical breakthroughs using nano technology.

Recently, I saw that there was an announcement that you can somehow get carbon nano tubes and they think that they can be a very accurate treatment for cancer that doesn't harm the rest of the body but then again, I think the other health research needs to be done on that.

You have a very promising technology, you know, very promising development with nano technology. You just need to make sure that it's not harming others.

Dr. SHARFSTEIN. Well, I agree, and I think this is an area where you have something that's so promising. Part of FDA's job is not just to sit back and see what happens but to really engage in the conversations and try to facilitate.

Senator PRYOR. Right. That's right. You mentioned in your testimony a few moments ago that you have a consumer team at FDA and you're doing warning letters to companies that are selling, I guess, sounds like maybe miracle cures on the H1N1?

Dr. SHARFSTEIN. Correct.

Senator PRYOR. And I'm just interested in that. I think you said you sent out 31 letters, and is it possible for you to provide the committee with copies of those letters so that we could know who's out there doing that?

I'm chair of the Consumer Subcommittee over in the Commerce Committee. So I'd like to get those. Is there any real update on that or is there any status report you want to give us?

WARNING LETTERS

Dr. SHARFSTEIN. Yes, I think the latest information I have is that there were 36 warning letters and we'd be happy to provide them to you, and I think there's 69 products cited in the warning letters, and I mentioned a couple of them, one of which says that independent tests show this product is hundreds of times more effective at killing the flu virus than the most potential antiviral prescription medications known. It's the only one that actually kills the virus and automatically eliminates all symptoms. That's one.

[The information follows:]

http://www.fda.gov/ICECI/EnforcementActions/WarningLetters/2009/default.htm

Senator PRYOR. Right.

Dr. SHARFSTEIN. The other says it's good for swine flu, bird flu, MRSA, SARS, malaria, anthrax, TB, Bubonic plaque and sexually-transmitted diseases.

So I think that there's a whole list of them and, you know, on the one hand, maybe if it's totally harmless, you know, you think, well, you know, why waste—why spend resources in that direction, but the truth is somebody who's sick and maybe they don't even have swine flu, somebody who's sick may be turning to products because of the claims that they're making and not going to the doctor and potentially getting worse, and, you know, it's important that people not be misled by inappropriate information.

Senator PRYOR. Right. I would encourage, if you could, you to work with the Consumer Product Safety Commission, even though you're talking about drugs. They have a lot of expertise in tracking that and trying to prevent those types of scams and rip-offs.

DRUG IMPORTATION

One last question, if I may, and that is about importing drugs. There's been a question here in years past about how safe imported drugs are into this country and as I understand it, the president is trying to work with stakeholders to develop a policy on imported drugs.

Do you know anything about?

Dr. SHARFSTEIN. Sure. So there are two issues. I think a lot of drugs in the United States—drug supplies are imported now in the sense that they're manufactured abroad or they have materials that are manufactured abroad and there's a whole issue of safety there that's very important to deal with.

The second issue is the purchase of drugs that are approved in other countries, so not drugs that are FDA-approved but drugs that are approved, say, by the regulatory authority in Canada, for example, and whether it is appropriate, safe, to design a system that would permit importation of drugs approved in other countries as opposed to the importation of U.S. drugs which happens all the time.

And what the budget has is $5 million for FDA to develop a framework and a policy that could permit that to be done safely. So I think—so basically, we would spend some time thinking through what the challenges to that kind of system would be and try to design an approach to solve those challenges and I think one

of the benefits to this is that some of the issues there are going to be relevant to the first problem, too.

So no matter what we find, it's going to be helpful to us. If we are trying to understand more about how to trace the pedigree of drugs so that we can be sure we're getting true drugs from other countries, that's going to help us understand how to do that well in the United States, too.

So I think there's a crossover benefit of that project.

Senator PRYOR. Okay. Thank you, Mr. Chairman.

Senator KOHL. Thanks a lot, Senator Pryor. Senator Bennett.

CRITICAL PATH

Senator BENNETT. Thank you very much, Mr. Chairman, and my question will come as a great surprise.

Tell me about the Critical Path and what you see and what your attitude is and what you think the ongoing attitude will be.

Dr. SHARFSTEIN. So I think—thank you. I think the Critical Path has been a very important effort by FDA and it's something that I believe Dr. Hamburg supports, and I certainly support.

I think the question is what is the Critical Path going to mean and in talking to the people who run it and in talking to Dr. Goodman, who's now the Acting Chief Scientist and is here, I think that we see the Critical Path as a way to do very important partnerships that permit breakthroughs in diagnostics and in treatment and so there's a lot of important work.

It's not just the job of the Critical Path to think about basic treatment. That's the job of FDA. I mean that's the job of a lot of different people.

Senator BENNETT. Sure.

Dr. SHARFSTEIN. The role of the Critical Path is to think of partnerships and one of the examples of that is this study that is one of the things that was funded by the support that we have received in increases in the last couple of years, that FDA is facilitating working with partners that design and conduct a large trial to compare the benefits of extended anti-platelet therapy versus aspirin alone in patients receiving stents, and this is a study that will really answer some pretty important questions. It's being overseen by the Critical Path team because of the nature of the partnership that's there.

So I think that what I also liked about the Critical Path particularly is that it naturally is connecting its investments to the outcome, and I think that's something that, in general, FDA needs to do better. We're getting all this money. What are we delivering?

And what I like about the Critical Path and I've got the report you may have seen, Projects Receiving Critical Path Support in Fiscal Year 2008, and what it does is say, look, you gave us this money, here's what we're doing and if it works, here is what we're going to get for it, and I think that that is—it's important to—the Critical Path serves the role of pushing that thinking all the way into FDA.

So I think that you're going to see support for that at FDA and I think I'd like to have a very clear philosophy articulated and then lots of clear things that we're delivering on that benefits the public health.

TOBACCO

Senator BENNETT. Thank you. An unrelated question. There is a very strong push going on, which I expect will probably succeed in this Congress, to give FDA jurisdiction over tobacco.

I've always resisted that on the grounds that FDA is an agency that has as its goal determining whether or not things are safe and you can determine whether or not tobacco is safe or healthy in an afternoon. But now you're going to "regulate" tobacco and it's a new role for FDA.

Do you have any idea as to exactly what FDA would do with respect to regulating tobacco, and how much of a burden it will put on FDA personnel if the bill with respect to tobacco and FDA passes?

I clearly am one who wants to do everything I can to get people to stop smoking because it's one of our biggest health problems in the United States. My concern has absolutely nothing to do with that. It has to do with FDA as the suitable agency, but it looks like I'm going to be overruled and I probably will end up voting for the bill anyway because I don't want to be accused of being in favor of big tobacco simply because no other agency presents itself as the one to deal with it. So you're going to get stuck with it.

Now, do you have any insight for us as to how it's going to work and what you're going to do?

Dr. SHARFSTEIN. Thank you, and I think it's—obviously given the circumstances and the legislation moving forward, I totally understand the question.

To your point about the—it being a little unusual for FDA to be regulating something that is clearly unsafe, I think that the bigger picture is that FDA is a public health agency and takes a lot of steps in terms of regulating products to improve the public health, and I think that's the approach that would have to be taken for tobacco, which is the leading cause of preventable death and also one of the least regulated products in the market.

I do think that the—we're going to have to read very carefully the bill that's passed by Congress, and I think what we would do is going to depend on the final shape of the legislation and still hasn't gone to the Senate Floor, and I know there may be all sorts of amendments and changes and, you know, our job is to implement the legislation that Congress has passed.

So I think that there is a budding science, science that I think we can expect to grow over time, about what about tobacco may be responsible for different adverse problems that result from tobacco and as that science grows, FDA will be in a position to make different types of tobacco products less harmful, and I think that's one area that the bill definitely contemplates as it's written now, to allow the agency to establish performance standards in different areas, but that's going to depend on the scientific findings and the approach the FDA would take to this is going to be, you know, weighing the risk and the benefit of different approaches for things, as the FDA often has to do, in completely different contexts.

As far as the burden question, I think that's obviously a fair question because FDA has a lot to do. Otherwise, I think that it is—I think that the administration believes, Dr. Hamburg believes,

and I believe that the FDA is the right agency for this task, given the experience the FDA has in regulation and some of the expertise in particular elements.

Even if it's not, you know, cigarettes, when you have a toxicology issue, if you have toxicologists, they can helpful. They can help you figure out what the right team to have there is.

I think the bill has got to provide adequate resources and the current version does for the agency to do the work and with that, I think what Dr. Hamburg has said is that we have to be—you know, the agency already has to be able to do more than one thing well at once, and this is going to be another thing but it's a very important thing.

In the big picture, it's going to improve the health of Americans and for that reason, I think it's important.

Senator BENNETT. Thank you very much. I'm encouraged.

Thank you, Mr. Chairman.

SAFE DRUG USAGE

Senator KOHL. Thanks very much, Senator Bennett.

Dr. Sharfstein, the FDA recently acknowledged that prescription drug information provided to consumers at the pharmacy can be very bewildering and not easily understood. Your budget proposes $3.4 million to promote safe drug usage.

Will these funds be used to address that problem I just described, and what process and time table will FDA be using to make sure that consumers get streamlined easy-to-understand language when they buy their prescription drugs?

Dr. SHARFSTEIN. Thank you. It's a very good question because there's information that comes about drugs from multiple different sources. You see the ads, the handouts which can be like, you know, the actual package inserts which can be very small print and difficult to understand, then there's things that people get in the pharmacy. Sometimes they're approved by FDA and sometimes they're not and they can be potentially misleading sometimes. So I think the point you're raising is important.

The Safer Drug Initiative has a goal of working collaboratively with a lot of external partners, including pharmacies, to get better information and instructions to people. It relates not just to information but also things like how to keep medicines at home, how not to let kids into medicines and a whole bunch of other things that can have a big impact on health if they're followed through on.

As far as the particular projects and timing, I think I might want to ask Dr. Woodcock, who is here, the head of the Center for Drugs, to answer that, if that's okay, or if you prefer, we can provide more of an answer.

Dr. WOODCOCK. Hi. I'm Janet Woodcock. Yes, we agree, and as you alluded to, at a recent public meeting we talked about the survey that had been done, a scientific survey by contractors of consumer information that is given to people when they fill prescriptions, and it did not meet the criteria for usefulness for patients that had been established.

MED GUIDES

So we are going to be going through the next year through a process and we're going to look not just at that consumer information but, as Dr. Sharfstein alluded to, to med guides and to patient package inserts and all these different forms of information that people can get and try to craft something that is maximally useful to people who fill prescriptions and have to take medicine.

Senator KOHL. That's good. Thank you.

Senator Brownback.

Senator BROWNBACK. Thanks, Mr. Chairman.

COST OF DRUG DEVELOPMENT

Dr. Sharfstein, just one final comment area. I'm very troubled about the cost of developing a new drug nowadays and I'm hearing now pharmacy schools, University of Kansas School of Pharmacy is one of the top in a number of different surveys, the top pharmacy school in the country, saying that the cost of drugs, the cost of developing a drug is so high now that whole categories are not even particularly being focused on because there's not a big enough patient pool to support the research dollars that's necessary, in the hundreds of millions, I suppose even billions, of dollars, to bring out some new drugs.

I very much appreciate the focus on safety and we need to have that, but now if we're shutting off to the side a potential drug development because it only had 300,000 patients or 1 million potential patients and you spread the costs of $1 billion drug over them and they're saying we can't do it, I would hope that you and the new team that comes in at FDA would look at this and say this is a major problem for us because now we're going to have whole areas where we're not even going to be researching what you put—how you try to treat this and if you get it, you know, God save you.

I'm hopeful it becomes better. I really hope you look at that and I also want to invite you out to the KU Pharmacy School. I just toured there not long ago and I think they're doing some really fascinating work on screening throughputs of different compounds on a very rapid basis and I'm sure you're familiar with the technique.

I was impressed with it, though, and the way they're looking at these items, and I do hope you really get on top of that cost issue because it's going to kill people if we don't get on top of it.

Dr. SHARFSTEIN. Thank you. I know that Dr. Hamburg has a special interest in orphan drugs and drugs for diseases that don't, you know, affect as many people as sort of the major drugs.

I know in the last couple years FDA's approved a couple drugs under the Orphan Drug Program, including a drug for Huntington's disease and a drug for Hunter's disease, and I remember taking care of kids with that. But it's something that requires and will get attention from us to understand what needs to happen.

I was just at an event for the National Organization of Rare Diseases and, you know, I heard from everybody the concern that you're raising and I think both Dr. Hamburg and I are going to be very interested.

I think that when you think about FDA, the role of FDA, it's both about benefit and risk. In other words, we want to maximize

the benefit, we want to help get drugs to people who need them and at the same time we want to reduce the safety concerns, and both parts of that equation are very important to us.

Senator BROWNBACK. I want to invite you out and we'll give you a cholesterol-free steak,——

Dr. SHARFSTEIN. Okay. Sounds good.

Senator BROWNBACK [continuing]. Top quality. Thanks, Mr. Chairman.

ADDITIONAL STAFF

Senator KOHL. Thanks a lot, Senator Brownback.

Dr. Sharfstein, will you tell us a little bit about your plus-up in staff by quite a few hundred and what you're going to let them or direct them to be doing?

Dr. SHARFSTEIN. Sure. In the fiscal year 2010 budget, you mean?

Senator KOHL. Yes.

Dr. SHARFSTEIN. Let's see. I think that the total number——

Senator KOHL. It says here you have 678 additional staff to work on food safety and some few more hundred to work on medical product safety.

Can you confirm that and tell the American public that you really are adding people to work on the issues of food safety and food inspection and——

Dr. SHARFSTEIN. Yes, the—for foods, it'll be about 220 more inspectors as well as analysts and a total of about 600 or so of people to work on foods. For medicines, it's going to be about, as I said, 300 more people and that includes a lot of scientists who will be working to make sure that drugs, vaccines, tissues, devices, are safer and we understand the opportunities for new novel products better.

So I think that these investments, we should see and we should be able to explain clearly to you and to anyone who asks how we're using these investments not just to hire people and not just to get inspections, for example, but to actually deliver results that matter to people.

Senator KOHL. Your Rapid Response Program, how's that working?

Dr. SHARFSTEIN. For food safety?

Senator KOHL. Yeah. The food outbreaks.

Dr. SHARFSTEIN. Food outbreaks?

Senator KOHL. Yes.

Dr. SHARFSTEIN. I think that I'm familiar with how we responded to the food outbreaks that I've been involved in, but I might ask David Acheson to come forward and talk about that particularly.

I'm not sure what part of that is referred to as the Rapid Response Program.

What we have done and I've seen is that FDA has been working very closely with the States and localities. We are involved with CDC and with the industry when there's an issue and it's moved very quickly so that we're able to narrow the scope of the pistachio recall very quickly and the scope of the alfalfa sprout very quickly. It was because of coordinated action among those different groups.

And let me see if—it would be Dr. Acheson.

Senator KOHL. We have just a minute or so before we have to end.

RAPID RESPONSE

Dr. ACHESON. Good afternoon. I'm David Acheson, Associate Commissioner for Foods.

I think you're probably referring to the Rapid Response Teams that we're putting out in the States.

Senator KOHL. That's correct.

Dr. ACHESON. And we've now got six of those funded with the machinery operating to fund another three. This is all part of the integrated FDA-State-local systems that are—this is obviously focused on response and that's clearly at the end of the spectrum, but that's beginning to work very well and bear good fruit, and we're targeting working with the States much earlier in these situations and not waiting until it's later.

ADDITIONAL COMMITTEE QUESTIONS

Senator KOHL. Thank you. Well, Dr. Sharfstein, we want to thank you and your staff for being here today.

I believe the FDA is going to become increasingly responsive to all the important needs in our society under your direction along with Dr. Hamburg, and we are looking forward to working with you.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR HERB KOHL

FDA'S NEW PLAN FOR FOOD SAFETY AND STATES' ROLE

Question. What do you think is the appropriate role of States in this effort? It appears that funding for State contract inspections is increasing very slightly. Should that number go up?

Answer. For fiscal year 2010, FDA is requesting funding for a new strategic framework for an integrated national food safety system. A system that has adequate Nation-wide coverage will require implementation across multiple years. For fiscal year 2010, FDA is requesting $14.61 million to begin to build the FDA infrastructure for the system.

The States will play a central role in the strategic framework for an integrated national food safety system. FDA's fiscal year 2010 investment in infrastructure is essential to help establish the standards, training, accreditation and oversight programs that are integral to an effective system, to leverage State regulatory programs, and to ensure consistent standards among regulatory partners.

Question. What percent of FDA food inspections are carried out by State inspectors through a contract?

Answer. During fiscal year 2008, FDA and our State partners conducted 16,125 domestic food inspections. Of this amount, State inspectors under contract to FDA conducted 8,777 inspections, or 54 percent of the total. If animal feed inspections are added to the count of food inspections, State inspectors under contract to FDA conducted 14,489 or 60 percent of the 24,037 domestic food and animal feed inspections. FDA also has responsibility over FDA-regulated products entering the United States. During fiscal year 2008, FDA inspected 152 foreign food establishments and completed 100,718 import field exams.

Question. What percent of FDA medical product inspections are carried out by State inspectors through a contract?

Answer. During fiscal year 2008, FDA and our State partners conducted 13,588 domestic medical product inspections. Of this amount, State inspectors under contract to FDA conducted 7,652 inspections, or 56 percent of the total. The State contract inspections consist of 13 medical device inspections and 7,639 medical product

mammography facility inspections conducted as part of the Mammography Quality Standards Act. In the case of non-mammography inspections, State inspectors conducted less than 1 percent of non-mammography inspections during fiscal year 2008.

Question. The budget says this new system may require new authorities, including multi-year budget authority. I don't see this request in the budget. Can you elaborate?

Answer. FDA is requesting $14.61 million to begin to build the FDA infrastructure for an integrated national food safety system. These funds will allow FDA to establish the standards, training, accreditation and oversight programs that are integral to an effective system. FDA cannot establish an integrated national food safety system during a single fiscal year. We hope to continue to build this system over time.

Question. Recent reports have highlighted FDA's failure to properly audit State inspection programs. Is there funding in the budget to increase these audits?

Answer. Yes, the request to increase funding to enhance our audit program for State inspections is part of the funding request for the Integrated National Food Safety System. Enhancing our audit program will allow FDA to increase the audit staff conducting oversight of State food safety inspections.

Question. Will all of the additional food inspections be carried out by FDA inspectors, or will some of them be through State and other contracts?

Answer. Additional food inspections will be carried out by FDA investigators. The fiscal year 2010 budget increase will allow FDA to hire additional investigators to increase the number of domestic and foreign inspections that FDA conducts.

For the fiscal year 2010 budget increase, FDA estimates that it will hire approximately 126 more investigators with Budget Authority and approximately 96 more investigators with Food Inspection and Facility Registration User Fees to conduct domestic and foreign food safety inspections. Due to the time that it will take to train the new FDA investigators, FDA will not achieve the increase in domestic inspections until the end of 2012. FDA will achieve an increase in foreign inspections associated with the additional investigators by the end of fiscal year 2012. The fiscal year 2010 budget increase will allow FDA to use Budget Authority to conduct 2,000 domestic and 50 foreign inspections. In addition, FDA will also use Food Inspection and Facility Registration User Fees to conduct an additional 2,000 domestic and 50 foreign inspections. This will achieve a total of 4,000 additional domestic food safety inspections in fiscal year 2012 and 100 additional foreign food safety inspections in fiscal year 2012.

RAPID RESPONSE TEAMS

Question. The budget includes $12 million to accelerate responses to food borne outbreaks. What specifically will this money be for?

Answer. The $12.1 million increase that you identify will allow FDA to increase its laboratory capacity to support food safety activities. These funds will not be used to increase the number of rapid response teams. The $12.1 million will allow FDA to fund three additional chemistry labs for the Food Emergency Response Network—FERN—and provide additional support to State microbiology laboratories in the FERN system.

Question. How many rapid response teams have been created throughout the country, and where?

Answer. At this time, there are six rapid response teams. The teams are in California, Florida, Massachusetts, Michigan, Minnesota, and North Carolina. FDA is in the process of awarding cooperative agreements to establish three additional rapid response teams before the end of 2009.

Question. Please provide a summary of the activities of the rapid response teams to date.

Answer. All teams completed initial developmental activities, which included training and an assessment of their response capacities. By July of 2009, all teams will have participated in 2-day FDA sponsored training sessions. By September, all teams are due to complete their Manufactured Foods Regulatory Program Standards Assessments.

The participating States are at varying stages of their plans to acquire additional team members, to provide training to support team objectives and to initiate practice exercises to prepare the team. Additional training opportunities consist of other courses provided by FDA and relevant courses supplied through other qualified sources. All States are meeting the milestones set out under the cooperative agreements.

The six participating States entered into the Rapid Response Teams pilot cooperative agreements with FDA with varying degrees of established team experience and

structure. Several States had already invested in developing team structures while others are using the resources available through the FDA agreements to initiate teams this year. These different experience levels across the six State teams have yielded some States with the capability to activate teams in this first year of the agreement. States with developed and practiced teams have deployed them in response to State level incidents and incidents under FDA jurisdiction, such as the coordinated response to Salmonella in peanut butter earlier this year. The remaining States continue to obtain training, develop procedures, and prepare for practice exercises.

GENERIC DRUGS

Question. Even though Congress has provided increases over the last few years for generic drug review, the backlog of applications continues to grow. The user fee being proposed has been proposed in previous budgets, but never authorized. Do you think this year will be different? If the user fees aren't enacted, is the budget for generic drugs adequate?

Answer. Although generic drug user fees have been proposed in previous budgets, FDA plans to reengage the generic drug industry in user fee discussions this year to make progress on this important proposal. Our aim will be to develop a user fee program that provides the FDA generic drug program with the resources needed to modernize and enhance the capacity of the generic drug review process and to ensure timely patient access to safe and effective new generic drugs. FDA believes that the resources in the fiscal year 2010 proposed generic drug user fee program are necessary to reduce the review backlog and ensure patient access to safe and affordable generic drugs.

NEW AUTHORITIES REQUESTED IN THE BUDGET

Question. There are no details in the budget regarding the new authority for generic biologics. What is the status of this, and is there an associated cost?

Answer. The fiscal year 2010 Budget supports the creation of a new regulatory pathway under the Public Health Service Act for FDA approval of "generic biologics," a term that refers to follow-on biological products that are highly similar to—or biosimilar—and may be substitutable or interchangeable for a previously approved biological product. As I mentioned in my testimony, establishing a generic biologics pathway will require new legislation.

FDA has approved follow-on versions of certain protein products under the existing abbreviated approval pathways in the Federal Food, Drug, and Cosmetic Act. However, the majority of protein products now on the market have been licensed as biological products under the Public Health Service Act, which does not contain analogous abbreviated approval pathways.

Safe and effective generic biologics may prove to be a critical element to lowering costs for American consumers and the healthcare system more broadly. FDA would require additional resources to augment our existing capabilities for regulatory activities associated with a generic biologics program, and anticipates the need for significant additional analytical testing capabilities. Depending on the scope and requirements of any legislation establishing a generic biologics pathway, we expect that there will be a large workload in the early phase of a generic biologics program in our pre-application activities—including meeting with industry and providing advice—as well as developing policy and procedures, publishing guidance, and promulgating regulations. We also anticipate receiving some applications for review shortly after enactment of legislation, with an increasing number of applications for review in subsequent years.

Question. What is the administration's plan to get the 4 new user fees you mention in your statement authorized? What are the results if that doesn't happen?

Answer. FDA plans to work with the administration, with Congress and with stakeholders to authorize the four new user fee programs proposed in the fiscal year 2010 budget. In the event that our efforts are not successful, FDA will rely on existing funding in the form of budget authority to conduct the four program activities without the benefit of additional user fees.

ADDITIONAL STAFF REQUESTED IN THE BUDGET/PAY COSTS

Question. How many additional staff has FDA hired with the increases provided in the supplemental and the fiscal year 2009 increases?

Answer. FDA has hired 859 additional staff from the funds provided in the fiscal year 2008 supplemental and the fiscal year 2009 budget authority and user fee increases. As of May 18, 2009, there were 720 hires on board with 139 staff scheduled to start soon thereafter.

Question. Although the budget includes nearly $30 million for pay costs, it also includes a chart that says FDA will have to absorb an additional $33 million to fully fund pay costs. How were these numbers developed? If you are only provided the $30 million requested, where will the rest of the money come from?

Answer. The Administration developed the estimate of the total pay cost for FDA based on the estimate of the annual pay adjustment for civilian and military employees and the estimate of the numbers of FDA employees who would receive a pay increase. FDA will cover any shortfall in the fiscal year 2010 of the annual pay adjustment through a combination of strategies, including reducing operating costs and adjusting when it conducts hiring.

FDA REGULATION OF TOBACCO

Question. As you know, Congress is currently considering a bill that would require FDA to regulate tobacco. The bill is proposed to be funded through user fees. However, will there be start-up costs required before the user fees are collected? I don't see any in the budget request.

Answer. In order to begin implementation of this important program FDA will borrow $5 million from its fiscal year 2009 budget authority. This modest sum is necessary to establish a process to calculate the amount of user fees due, issue bills, and collect fees from covered manufacturers and importers of tobacco products. We estimate that we will need approximately four staff to establish the user fee program and there will be associated expenses to adapt our existing IT systems to include billing and collection of these fees. In addition to establishing the user fee program, we would also use these borrowed funds to hire a small number of staff, perhaps 10 or 12 individuals, to begin the work entrusted to the new Center for Tobacco Products. FDA will repay the borrowed funds within 6 months or as soon as sufficient user fees are collected.

ANTIBIOTIC RESISTANCE

Question. I understand that FDA has tested penicillin to see whether or not its use in animals results in antibiotic-resistance bacteria that can be transferred to people. Are the results of these tests available? Does FDA intend to test other previously approved antibiotics currently being used for non-therapeutic reasons in livestock?

Answer. Although FDA has not conducted tests on penicillin, FDA has conducted a review of all available information relevant to assessing the safety of using the penicillin class of antimicrobial drugs in the feed of food-producing animals. FDA is also reviewing information about other classes of antimicrobial drugs as it is broadly concerned about the use of all medically-important antimicrobial drugs for production or nontherapeutic purposes in food-producing animals.

ADULTERATED POMEGRANATE JUICE

Question. What activities has FDA undertaken, or does FDA have planned, in order to prevent adulterated pomegranate juice from entering U.S. commerce?

Answer. FDA is planning to conduct testing of imported pomegranate juice to determine if it is pure pomegranate or contains other materials. We anticipate issuing the assignment to test pomegranate juice in the next 3 to 6 months.

NATIONAL ANTIMICROBIAL MONITORING SYSTEM

Question. What amount is provided in the fiscal year 2010 budget for NARMS?

Answer. The estimated fiscal year 2010 budget for NARMS will remain at the same level it was funded in fiscal year 2009. The fiscal year 2009 amount is $6.7 million.

Question. Please describe the activities undertaken with NARMS funding.

Answer. A key component of the FDA strategy is to assess relationships between antimicrobial use in agriculture and subsequent human health consequences is the National Antimicrobial Resistance Monitoring System—NARMS. NARMS is a collaborative effort between FDA's Center for Veterinary Medicine—CVM, the U.S. Department of Agriculture—USDA, the Centers for Disease Control and Prevention—CDC, and public health laboratories in all 50 States. NARMS monitors antimicrobial susceptibility/resistance within two categories of enteric bacteria: zoonotic bacterial pathogens—Salmonella and Campylobacter—and commensal—not usually pathogenic—bacteria—Escherichia coli and Enterococcus.

NARMS uses comparable testing methods at CDC—human isolates, FDA—retail meat isolates, and USDA—food animal slaughter isolates. Samples are tested to determine changes in the susceptibility or resistance of certain enteric bacteria to se-

lected antimicrobial drugs of human and veterinary importance in order to guide intervention efforts to mitigate resistance dissemination. The antimicrobial drugs tested are selected based on their importance in human and animal medicine. Annual Executive Reports summarizing data from all three NARMS components are posted on the FDA NARMS homepage.

NARMS Salmonella and Campylobacter isolates are subjected to further molecular fingerprinting. This information is submitted to the CDC PulseNet database for use in epidemiological foodborne outbreak investigations. The information provides public health officials a better understanding of the dynamics of foodborne illness attribution in the United States.

FDA continues to maximize cooperation and communication between FDA, USDA, and CDC to increase efficient use of limited resources in database development, testing methods and sampling strategies.

In 2007, the FDA Science Board subcommittee evaluated NARMS. The program has evolved into a mission-critical tool for FDA. New pilot projects have proven worthwhile and merit further development, and the on-farm data can help to better link the human and animal health interface. NARMS scientists continue to address and implement many FDA Science Board recommendations.

METHICILLIN-RESISTANCE STAPHYLOCOCCUS AEREUA—MRSA

Question. Please provide a summary of activities FDA is undertaking regarding MRSA.

Answer. An important role for FDA is providing information on clinical trial designs to study drugs for the treatment of infections due to methicillin-resistant staphyloccus aureus, or MRSA. As part of these efforts, on November 18, 2008, the FDA Anti-Infective Drugs Advisory Committee convened to provide advice concerning clinical trial designs for testing new drugs for complicated skin infections, including those caused by MRSA. The Advisory Committee recommendations focused on feasible non-inferiority trial designs that would provide informative data regarding safety and efficacy. FDA also meets with pharmaceutical industry sponsors to provide guidance concerning drug development programs, including those for new drugs targeting MRSA.

FDA reviews investigational new drug applications, or INDs, and reviews and approves new drug applications, or NDAs, and biological license application or BLAs, for products for the treatment of MRSA. FDA conducts research focused in identifying potential vaccine components that can protect against various forms of MRSA disease and on developing animal models that can be used to evaluate the protective capabilities of these vaccines.

In addition, FDA has cleared more than ten diagnostic tests for detection or screening for MRSA. We continue to actively work with industry as they develop their devices to assure that safe and effective devices to detect MRSA are cleared through FDA in an expedient manner. We are also actively involved with clinicians, laboratory experts, and governmental agencies to determine changes in antibiotic resistance and determine what testing is necessary to detect changes in resistance.

Question. Is funding provided in the budget for FDA to test for the presence of MRSA in the swine herd? Is this an appropriate activity for FDA to undertake?

Answer. Although the fiscal year 2010 budget does not include specific funding to test for the presence of MRSA in the swine herd, FDA agrees that MRSA needs to be studied. FDA is working closely with USDA and CDC to address issues relating to the prevalence of MRSA.

FDA is in the midst of a pilot study that is testing retail meat samples for MRSA and will use the results of this study to determine the correlation, if any, to clinical cases of infection.

OFFICE OF COSMETICS AND COLORS

Question. Please provide a history of the budget authority funding amounts for the Office of Cosmetics and Colors for the past 5 years.

Answer. The 5-year budget authority funding history for the Office of Cosmetics and Colors (OCAC) cosmetics program and the companion program in FDA's field component, the Office of Regulatory Affairs (ORA), appears in the following chart. OCAC current cosmetics activities include developing regulations, guidance, and policy, providing direction to the field program, conducting safety assessments, administering the Voluntary Cosmetic Registration Program (VCRP), and participating in international harmonization activities. During fiscal year 2007, CFSAN centralized all cosmetics compliance and research components into offices outside OCAC, with one office focused entirely on compliance and a second office focused entirely on research. Compliance and research staff from OCAC were realigned to these offices

and are reflected under the column titled "Other CFSAN Cosmetics FTEs" in the following table. OCAC also has a color certification program, which is exclusively supported by user fees and not supported by appropriated funds. We estimate that the color certification program will collect $7.7 million in fiscal year 2009.

The ORA activities in the field cosmetics program include inspections and field exams, sample analyses for contaminants and non-permitted ingredients, and evaluations for labeling compliance.

COSMETICS PROGRAM FIVE YEAR FUNDING HISTORY

Fiscal Year	CFSAN			ORA		Total	
	Dollars in millions	OCAC Cosmetics FTEs	Other CFSAN Cosmetics FTEs	Dollars in millions	FTE	Dollars in millions	FTE
2005	$3.4	28	([1])	$1.8	14	$5.1	42
2006	3.4	27	([1])	1.7	12	5.1	39
2007	2.3	10	7	1.9	13	4.2	30
2008	3.8	13	8	2.3	14	6.1	35
2009	5.0	15	8	2.9	15	7.9	37

[1] Not available.

Question. Is the funding level in the President's budget adequate?

Answer. The fiscal year 2010 President's Budget provides $8,204,000 for the FDA cosmetics program. As in other product areas that FDA regulates, changes in technology and the increasingly global nature of the industry present challenges to FDA regulation of the cosmetics industry. FDA will continue to assess the risks to public health of cosmetic products and [the administration will] seek additional resources where necessary.

DEMONSTRATION GRANTS FOR IMPROVING PEDIATRIC DEVICE AVAILABILITY

Question. How much of the funding provided in fiscal year 2009 has been obligated?

Answer. Fiscal year 2009 is the first year of the Pediatric Device Grants Program. As of May 2009, none of the $2 million appropriated for pediatric device consortia grants has been obligated. The due date for grant applications is June 15. FDA plans to make grant awards by September 30, 2009.

Question. How many applications were received for this program, and what was the total?

Answer. We will know how many applications we received after the June 15 closing date for program applications. Based on inquiries from potential applicants, we expect to receive at least six applications.

Question. Of the total applications received, how many were funded?

Answer. Pediatric Device grants will be awarded on a competitive basis. FDA will review the grant applications scored by a panel of experts in mid-July. Shortly thereafter, we will know how many are funded.

Question. What types of activities are these grants funding?

Answer. Once FDA makes grant awards in September, we will be happy to provide you with more specific information on the activities funded. The goal of this grants program is to promote pediatric device development by providing grants to nonprofit consortia. The consortia will facilitate the development, production, and distribution of pediatric medical devices by encouraging innovation, mentoring and managing pediatric device projects, and providing assistance and advice to innovators and physicians on business development.

COST OF INSPECTIONS

Question. What is the average cost of a foreign and domestic food inspection and medical product inspection?

Answer. FDA estimates the average total cost for a domestic food inspection would be $9,700 and $24,400 for a foreign food inspection in fiscal year 2010. We also estimate the average total cost for a domestic medical product inspection would be $20,300 and $41,900 for a foreign medical product inspection in fiscal year 2010. The inspection cost figures include inspectional time, compliance review, supervisory oversight, and general administrative costs for all applicable FDA offices.

The numbers of hours FDA investigators spend on a food or medical product inspection can vary from just a few hours to well over 100 hours due to the different types of products, manufacturing processes and numbers of quality systems to cover

during any one inspection. Food inspections include, but are not limited to, food safety, low acid canned foods, acidified foods, seafood HACCP, and interstate travel sanitation. Medical product inspections include, but are not limited to, pre-approval and pre-market inspections of medical devices and human/animal drugs, bioresearch monitoring inspections for biologics, medical devices, and human/animal drugs, blood banks, donor centers, source plasma, human tissue processors, post-market GMP surveillance for biologics, drugs and devices, medical gas, radiological health, and adverse drug events.

The figures above do not include the costs to the agency to collect and test a sample of a product or to conduct any actions that may result from problems the agency identifies during an inspection, such as a recall or a follow up inspection to see that appropriate actions were taken to correct a violation.

CRITICAL PATH

Question. Please provide a list of all projects funded through the Critical Path Initiative, and their amounts, in fiscal year 2009.

Answer. I am providing a complete list of all Critical Path (CP) projects that received FDA support during fiscal year 2009. So far, 98 specific projects received approximately $34,675,000 of support, including $16 million specifically designated to support CP projects. The list reflects the breadth and depth of the Critical Path Initiative and also underscores our need to continue funding this important Initiative. In addition, almost $12 million of the 2009 total of $34,675,000 supported the Sentinel Initiative, a long-term effort to increase medical product safety. Sentinel will fulfill some of the requirements of section 905 of FDAAA and enable FDA to build a system to actively monitor the safety and efficacy of FDA-regulated products.

FERN LABS

Question. Please provide a list and description of all of the FERN labs.

Answer. I would be happy to provide that for the record.

	States
Chemistry Cooperative Agreement Labs:	
Arizona Department of Health Services	AZ
Arkansas Department of Health	AR
California Animal Health & Food Safety—CAHFS	CA
California Department of Public Health, Food and Drug Laboratory Branch	CA
Colorado Department of Public Health	CO
Commonwealth of Virginia Division of Consolidated Laboratory Services	VA
Connecticut Agricultural Experiment Station	CT
Consumer Analytical Laboratory Ohio Department of Agriculture	OH
Florida Department of Agriculture and Consumer Services	FL
Minnesota Department of Agriculture	MN
Nebraska Department of Agriculture	NE
New Hampshire Public Health Laboratories	NH
University Hygienic Laboratory—Iowa	IA
Wisconsin Department of Agriculture	WI
Radiological Cooperative Agreement Labs:	
Maryland Department of Health and Mental Hygiene	MD
Health Research/NY Department of Health	NY
Texas Department of State Health Services Laboratory	TX
Washington State Public Health Laboratory	WA
Wisconsin State Laboratory of Hygiene	WI

Question. Are these labs utilized when there is a food safety outbreak? How?

Answer. Yes, FDA has used FERN labs to support several recent food safety outbreak investigations. FDA-funded FERN Chemistry labs analyzed more than 200 samples of protein products for the presence of melamine in 2007. These samples were supplied to the FERN labs by an FDA Protein Surveillance assignment written specifically for the FERN chemistry labs. In 2008, FERN chemistry laboratories tested for melamine contamination of milk products. FERN labs tested nearly 300 samples to clear the FDA lab backlog of samples.

FDA also collaborates with other FERN labs that are not receiving FDA funding to respond to food safety outbreaks. In 2006, FERN laboratories provided support to State labs for the E. coli O157:H7 Spinach outbreak. A rapid FERN method was provided to State labs, as well as reagents to support the method. Labs were used to test suspect foods. Last summer, FERN laboratories tested 290 samples for Sal-

monella during the jalapeno peppers outbreak. These samples were provided to the FERN labs through an FDA assignment. This year, FERN laboratories provided test results to FDA to assist product tracking in the Salmonella in peanut butter outbreak. This rapid reporting of State sample results had a significant impact on the investigation of this outbreak.

Question. FDA's belief that FERN labs are underutilized? What additional roles could or should they play?

Answer. FDA is continuing to develop the role of FERN labs to respond to food safety outbreaks. Throughout the year, FERN laboratories participate in a variety of activities, including but not limited to training to build capability, proficiency testing to assess individual lab capability, and collaboration on current methods and equipment use. In addition, FDA used FERN laboratories to analyze samples during large-scale surveillance assignments or during public health emergencies. Specifically in 2008, FERN chemistry cooperative agreement laboratories played an important role in the FDA response to melamine contamination by analyzing more than 300 milk-related food samples for the presence of melamine.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

COSMETIC SAFETY

Question. I am particularly interested in your agency's ability to ensure that personal care products and food and drink packaging do not contain dangerous chemicals. Most Americans think the FDA regulates cosmetics the same way it regulates food and drugs. However, the reality is that the $50 billion cosmetics industry is one of the least regulated industries in the country.

Under current law, cosmetics companies may use unlimited amounts of virtually any ingredient, including chemicals linked to cancer, reproductive and developmental harm, hormone disruption and other adverse health impacts, with no premarket safety assessment. The FDA does not have the authority to require product recalls and must go to court to remove misbranded and adulterated products from the market. The FDA also lacks the authority to require manufacturers to register their cosmetic establishments, file data on ingredients, or report cosmetic-related injuries. As a result, cosmetics sold in the United States contain ingredients and impurities with known health hazards including lead, mercury, hydroquinone, coal tar, formaldehyde, 1,4-dioxane, acrylamide, toluene and phthalates.

Given this situation, would you support efforts to give FDA the authority, resources and staff it needs to ensure that cosmetics and their ingredients are substantiated for safety before they are marketed to consumers?

Answer. The Administration has not taken a position on giving FDA additional authority and resources for the regulation of cosmetics. However, we would be happy to work with you and other Members of Congress on legislative proposals that offer additional public health protection for consumers.

Question. Can you tell me the staff size and current fiscal year budget of the Office of Cosmetics and Colors?

Answer. The Office of Cosmetics and Colors (OCAC) has two major components, each responsible for a different program. The OCAC Color Certification Program is staffed with 32 FTEs and is supported exclusively by user fees, not by appropriated funds. We estimate that the Color Certification Program will collect $7.7 million in fiscal year 2009. The total fiscal year 2009 budget for the OCAC Cosmetics Program is approximately $5.0 million. This amount supports 15 FTEs and includes $1.6 million in operating funds. Finally, in fiscal year 2009, FDA's ORA has been allocated a budget of $2,866,500 and approximately 15 FTEs for its activities in support of the cosmetics program.

Question. In October of 2007, the Campaign for Safe Cosmetics, a coalition of public health advocates, released a report showing that 61 percent of the lipsticks tested contained lead. In November of 2007, I joined my colleagues Senators John Kerry and Barbara Boxer in requesting that the FDA test a variety of lipsticks for lead, release the testing results publically, and if lead is found, take immediate steps to reduce the level of lead in these cosmetics. Despite numerous requests, we have not been informed of the results of any testing. Has that testing been completed, and if so, will you release the results in a timely and publically accessible format?

Answer. FDA scientists developed and validated a highly sensitive method to analyze total lead content in lipstick. FDA applied the new method to the same selection of lipsticks evaluated by the Campaign for Safe Cosmetics. The results of FDA's work to develop this method and conduct initial testing have been accepted for pub-

lication in the peer-reviewed Journal of Cosmetic Science and will be published in the July/August 2009 issue. We will also be posting information on our website.

Although FDA found lead in all of the lipsticks tested, the levels detected were within the range that would be expected from lipsticks formulated with permitted color additives and other ingredients prepared under good manufacturing practice conditions. FDA does not believe the lead levels we have found in our testing represent a safety concern. Nevertheless, FDA will continue to monitor the situation. We are also planning a broad-based survey that will examine a wider range of lipsticks than has been tested so far. When that testing is complete, FDA will make the results publicly available. If, at any time, FDA determines that a safety concern for lead in lipstick exists, FDA will advise the industry and the public and will take appropriate action under the authority of the Federal Food, Drug, and Cosmetic—FD&C—Act to protect the health and welfare of consumers.

Question. Under current law, registering cosmetics manufacturing facilities with the FDA is voluntary, even though this process would allow the FDA to better understand the breadth of the industry it is charged with regulating. A GAO study submitted to Congress in 1990 estimated that about 40 percent of facilities had in fact registered. What is the current estimate of the number of manufacturing facilities creating products for sale in the United States? What percentage of those facilities has registered with the FDA? How many inspections of cosmetics manufacturing facilities were conducted by the FDA in the last fiscal year?

Answer. Information provided by the two primary U.S. cosmetic trade associations indicates that there are approximately 3,500 cosmetic manufacturing facilities in the U.S. associated with their organizations. FDA does not have independent data to confirm that estimate. In addition to manufacturing facilities that are members of the two primary cosmetic trade associations, there also are facilities that are not members of either of the associations. Consequently, it is very difficult to say with any degree of certainty how many cosmetic manufacturing facilities there are in operation in the United States at any given time. There are 761 cosmetic manufacturing facilities registered in FDA's Voluntary Cosmetic Registration Program (VCRP). If the estimate of 3,500 cosmetic manufacturing facilities covered all U.S. manufacturing facilities, the VCRP data would indicate a registration rate of 22 percent. The actual registration rate is likely lower. In fiscal year 2008, FDA conducted 88 inspections of domestic cosmetic manufacturing facilities.

Question. The safety of chemicals used in cosmetics is not determined by the FDA, but rather a voluntary process conducted by an industry funded panel—the Cosmetics Ingredients Review—CIR—Program. In over 3 decades since its creation, CIR has evaluated only 11 percent of the 12,500 ingredients used in cosmetics; the vast majority of ingredients have not been assessed for safety by FDA, CIR or any other publicly accountable body. At the CIR, "insufficient data" to assure safety is not considered a rationale for recommending restricted use of a chemical. Does any other FDA program allow lack of evidence to be construed as proof of safety? Does the FDA have a plan for generating safety studies on unstudied chemicals used in cosmetics?

Answer. While there are approximately 15,500 cosmetic ingredients listed in the International Cosmetic Ingredient Dictionary and Handbook, many of these are not commonly used in cosmetics in the United States today. FDA estimates that approximately one third of the products on the U.S. market are filed in FDA's Voluntary Cosmetic Registration Program (VCRP) database. The VCRP data indicate approximately 3,200 ingredients that are each listed in at least 10 products. These 3,200 ingredients represent a high percentage of the ingredients used in marketed cosmetics. The Cosmetics Ingredients Review (CIR) Program has reviewed the safety of more than 1,400 ingredients. Because ingredients are selected for review based in part on their frequency of use, many of the commonly used ingredients have been evaluated by the CIR. Many of the less common ingredients have also been evaluated by the CIR.

Under the law, cosmetic products and ingredients—except color additives—are not subject to FDA pre-market approval. For FDA to prohibit use of a particular cosmetic ingredient or limit the conditions in which it can be used because the ingredient is adulterated requires scientific evidence establishing that the substance is harmful under its conditions of use or evidence that it is adulterated for other reasons. FDA cannot prohibit the use of an ingredient based solely on a CIR conclusion that there are insufficient data to establish its safety. The burden of proof rests with FDA to demonstrate that an ingredient is adulterated because it is unsafe or for other reasons before it can be prohibited.

FDA uses resources available to the cosmetics program to evaluate the safety of cosmetic products and ingredients when a possible human health risk is indicated. FDA evaluates data and information from a variety of sources. The sources that

FDA relies on include: adverse event reports, FDA's laboratory research, other published scientific literature, information considered and conclusions reached by the CIR Expert Panel, and data and other information provided to FDA by a variety of stakeholders. FDA's evaluations include consideration of routes of exposure and possible vulnerable populations.

Question. In 1989, the FDA prioritized 130 chemicals for review out of 884 chemicals that were both listed in the Registry of Toxic Effects of Chemical Substances and could be used in cosmetics. Of those 130 highest-priority chemicals, how many has the FDA substantiated for safety? How many has the CIR assessed? Has the FDA requested and reviewed the safety data from CIR's safety assessments? Of those 130 chemicals, how many have been restricted or banned from use?

Answer. We were not able to locate any FDA documents that match the description you provided of a list of 130 chemicals prioritized for review. In the absence of such a document or a list of specific chemicals to which your questions pertain, we cannot provide numerical answers to the questions posed. We can only provide some general information.

FDA does not substantiate the safety of cosmetic ingredients. It is the responsibility of the cosmetic manufacturer or distributor that introduces a cosmetic product into the marketplace to substantiate the safety of the finished product and its ingredients before it markets the cosmetic product. FDA does, however, investigate and evaluate ingredient safety when we receive reports of adverse events, become aware of results from scientific studies that indicate a potential for harm to consumers, or receive other information that raises questions about safety. FDA's safety assessments incorporate data and information from a variety of sources and include consideration of routes of exposure and possible vulnerable populations.

FDA participates in the CIR review process as a liaison member with non-voting status. As a participant, we receive and review the same information as the voting members of the Expert Panel. We also have the opportunity to comment on the studies at the open CIR meetings.

Question. I am also very concerned about the continued use of Bisphenol A in food and beverage packing. As you know, this chemical has been linked to a variety of health problems, including breast cancer, prostate cancer, and altered brain development. What is your time table for re-reviewing the safety assessment of BPA that FDA staff presented to the Science Advisory Board in October 2008?

Answer. In the fall of 2008, FDA scientists presented to the Science Board a draft safety assessment of the use of Bisphenol A—BPA—in the manufacture of food contact materials. The Science Board raised questions about whether the FDA's review had adequately considered the most recent available scientific literature. We have been carefully considering the Science Board comments, as well as reviewing newly available publications. During the summer of 2009, FDA scientists will review the science of BPA. We intend to report on the findings of this review in late summer or early fall of this year.

Question. On May 16, 2009, the Milwaukee Journal Sentinel described repeated contacts between Bisphenol A industry officials and FDA staff. As the FDA reviews the science on the risks of BPA, how will you ensure that FDA staff working on the safety assessment does not further coordinate their research with the chemical industry? Do you plan to take steps to provide independent scientists with equal access to FDA officials?

Answer. Independent scientists have already met several times with FDA officials in the last several months on BPA. The current review of BPA will benefit from input from a variety of sources and the best available scientific evidence.

Question. What is your assessment of the current process FDA uses to determine the safety of food additives in packaging? How could this process be improved prospectively? Considering the current list of approved additives includes chemicals such as phthalates, mercury, and formaldehyde, does the FDA have any plans to reevaluate the list?

Answer. By law, food additives in packaging must be approved for their use prior to marketing. This requirement, which has been in existence since 1958, has provided a very high standard of consumer protection, and is one of the most rigorous statutory and regulatory schemes for authorizing food packaging materials in the world.

It is true that scientific information and knowledge are constantly evolving. We do monitor the scientific literature and undertake re-reviews of additives based on emerging data and information. We are committed to improving and modernizing our ability to adequately monitor the world-wide literature on the many thousands of compounds that are used in food contact applications, so that we can make appropriate decisions in as timely a way as possible.

Question. A New York Times article that appeared on May 15 entitled "For Frozen Entrees, "eat and Eat" "Isn't Enough," explains that frozen food, such as Pot Pies, require additional cooking and testing on the part of the consumer before they are considered safe to eat. I am very concerned about placing the burden of assuring food safety on consumers, many of whom purchase these products for convenience and with the belief that they are safe to eat. Does the Food and Drug Administration allow frozen entrees such as Pot Pies to contain harmful pathogens at the time of purchase by the consumer?

Answer. Ordinarily, FDA considers a frozen entrée to be a "ready-to-eat" food that may not contain pathogens at the time of purchase by the consumer, irrespective of whether the product label includes cooking instructions, because some consumers eat such foods without thorough cooking. According to section 402(a)(1) of the Federal Food, Drug, and Cosmetic Act 21 U.S.C. § 342(a)(1), a food is deemed to be adulterated if it contains any poisonous or deleterious substance—such as a pathogen—that may render it injurious to health. The law prohibits introduction of adulterated food into interstate commerce, and FDA consider regulatory action on a case by case basis.

Question. What steps does the FDA take to make sure that producers reduce or eliminate the presence of pathogens in frozen entrees?

Answer. FDA has established current Good Manufacturing Practice—cGMP—in Manufacturing, Packing, or Holding Human Food regulations—21 CFR part 110, which require that food is processed under safe and sanitary conditions. The regulation, 21 CFR 110.80(a)(2), specifically requires that "Raw materials and other ingredients shall either not contain levels of microorganisms that may produce food poisoning or other disease in humans, or they shall be pasteurized or otherwise treated during manufacturing operations so that they no longer contain levels that would cause the product to be adulterated within the meaning of the act. Compliance with this requirement may be verified by any effective means, including purchasing raw materials and other ingredients under a supplier's guarantee or certification." In addition, 21 CFR 110.80 States "All reasonable precautions shall be taken to ensure that production procedures do not contribute contamination from any source. Chemical, microbial, or extraneous-material testing procedures shall be used where necessary to identify sanitation failures or possible food contamination." These two provisions are designed to prevent, reduce, or eliminate the presence of pathogens in food.

Question. Does the FDA currently conduct inspections of food labels for frozen entrees that contain raw or uncooked ingredients, to ensure that the labels clearly indicate that the foods may contain pathogens without proper preparation?

Answer. There is currently no requirement for this type of statement for FDA-regulated foods. FDA inspection instructions do not address the presence of this type of statement.

Question. As you know, the Food and Drug Administration announced in March 2009 that some patients with ALS to would be allowed to access the drug Iplex under an Investigational Drug Application—IND. Because this disease can progress rapidly, timely access to treatments may potentially make a difference in a patient's outcome. Since the FDA's announcement in March, what progress has been made on beginning a clinical trial of the drug, or establishing a lottery system to give patients access to a clinical trial?

Answer. FDA continues to work proactively with the sponsor, Insmed, on the development and initiation of a well-designed clinical trial of Iplex in ALS patients.

Question. When do you anticipate that FDA will grant final approval for a clinical trial to begin?

Answer. When an investigational new drug application, or IND, is submitted, FDA has a maximum of 30 days to determine if the protocol may proceed. However, after this period of review, it is entirely up to the sponsor when to initiate the clinical trial.

Question. How many patients will ultimately be able to enroll in the clinical trial?

Answer. It is not known at this time how large the clinical trial would be, because the number of patients that can be enrolled in it is directly related to the length of the trial proposed and the existing supply of the drug at the time the trial begins. Insmed, the sponsor, has indicated that the supply of this drug is very limited.

QUESTION SUBMITTED BY SENATOR RICHARD J. DURBIN

GAO

Question. In January 2009, GAO released a report recommending that FDA take further actions to improve oversight and consumer understanding of dietary supplements. Two of GAO's recommendations called for FDA to issue guidance: first to clarify when an ingredient is considered a new dietary ingredient, the evidence needed to document the safety of new dietary ingredients, and appropriate methods for establishing ingredient identity; and second, to clarify when products should be marketed as either dietary supplements or food. Does FDA plan to issue guidance to address these recommendations?

Answer. FDA agrees that guidance would be helpful to clarify when an ingredient is considered a new dietary ingredient (NDI) the evidence needed to document the safety of NDIs, and appropriate methods for establishing the identity of an NDI. The Agency held a public meeting in November 2004 to seek public comment on several issues related to the NDI requirements of Section 413(a)(2) of the Federal, Food, Drug, and Cosmetic Act (21 U.S.C. 350b(a)(2)). FDA specifically asked for information that would enable the Agency to identify ways to assist submitters of NDI notifications to ensure that they contain the information the Agency needs to evaluate the notification. FDA has reviewed the information submitted by interested parties on this subject and has developed draft guidance addressing NDI issues and a draft proposed rule to amend the NDI notification requirements of the Federal Food, Drug, and Cosmetic Act. The guidance and proposed rule are currently undergoing internal FDA review.

As we noted in our comment to the GAO July 2000 report, FDA's Dietary Supplement Strategic Plan recognized the need to clarify the boundaries between dietary supplements and conventional foods, including conventional foods with added dietary ingredients. As we noted when the Plan was released in January 2000, FDA acknowledged its inability to set timeframes for all the activities listed in the Plan because of resource limits. FDA will consider this recommendation and the priority and timing to implement this recommendation in light of all of the priorities that compete for available resources.

QUESTIONS SUBMITTED BY SENATOR SAM BROWNBACK

TUBERCULOSIS: DRUG RESISTANT TB AND DIAGNOSTIC TESTS FOR CHILDREN

Question. The subcommittee has provided more than $23 million in the past 2 years to support the Critical Path Initiative, an FDA initiative that has many facets including helping speed the development of safe drugs and the development of diagnostic tests to help with the delivery of drugs or diagnose certain conditions.

As you may know, I am concerned about global health problems, especially the growing threat of Tuberculosis and drug resistant Tuberculosis. The first recommendation in an Institute of Medicine November 2008 White Paper on drug resistant TB is for in-country diagnostic tests, including rapid genetic tests able to diagnose drug resistant organisms.

The need for improved diagnostic tests and effective therapies is even more critical for children with TB. The standard tests for diagnosis of TB, sputum smears and culture, are not practical for children who cannot reliably produce sputum. As a result they remain undiagnosed, untreated and a source of infection for others. The Critical Path Initiative seems like a logical fit for FDA to help with this situation.

Does FDA currently have any critical path projects that address the threat of Tuberculosis and drug resistant TB?

Answer. Yes, the Critical Path Initiative—CPI—is working to advance the use of multi-drug resistant TB as a platform for demonstrating effectiveness of new TB drugs. This is a novel approach for tackling the scientific challenge of proving drug effectiveness when you have a complex treatment regimen, requiring new TB drugs to be tested in combination with older drugs.

CPI has begun exploring possible collaborations with several goals in mind. For example, FDA is hoping to collaborate on identifying novel scientific pathways for obtaining safety data on new TB drugs without co-administration with other drugs. One option might be to obtain safety data on a new TB drug during use in prevention trials.

FDA is also exploring possible collaborations with the Bill Gates Foundation that will facilitate TB drug and diagnostic development by creating innovative trial designs and trial logistics. The goal is to develop shorter treatment regimens and new

diagnostic tools that can be used in all patients, including children. FDA has developed the CPI biomarker qualification process as a mechanism for incorporating new diagnostics in clinical trials. And to facilitate international marketing application and approval, FDA is collaborating with the European Medicines Agency to reach similar regulatory recommendations on drug development in multi-drug resistant TB.

Question. Would additional funding for critical path programs make it possible to work with the industry to accelerate the development of new and more effective drugs or diagnostic tests for TB?

Answer. If FDA received increased resources for critical path activities related to tuberculosis, we would consider beginning large-scale training program that would give local public health staff in developing countries the capabilities they need to develop and submit sufficient, high-quality scientific data to FDA to support application evaluation and approval. Other options include bringing together collaborative initiatives among drug, vaccine, and diagnostic developers and other experts in the field to speed development of new therapies in all populations and subpopulations. This effort is especially critical because development of new diagnostic tests is growing at a tremendous pace now. Preliminary test results using new genomic methods to identify drug resistant TB are very promising, and these need to be tested in large populations so they can be incorporated into clinical trials and clinical practice. Rapid, reliable tests that can easily be used to diagnose tuberculosis in adults and children are also required. The development of these products depends on access to communities where TB is common and where high-quality studies can be performed.

The Bill Gates Foundation and World Health Organization are heavily involved in this area, and FDA is actively encouraging manufacturers to participate. Additional Critical Path funding could be used to foster collaborations with all stakeholders with the goal of moving TB diagnostic tests to market faster.

POLICY PROPOSALS: DRUG IMPORTATION AND GENERIC BIOLOGICS

Question. The President plans to propose two new policy changes for FDA. One will allow the importation of prescription drugs from foreign countries. The second will allow FDA to approve generic biologics. The budget requests $5 million for the development of policies associated with prescription drug importation. Very few details have been provided about these policy proposals or to support the funding request related to the drug importation policy. Can you provide any additional details on these proposals?

Answer. Regarding details related to drug importation, the fiscal year 2010 budget includes $5 million for FDA efforts to allow Americans to buy safe and effective drugs approved in other countries. FDA intends to spend these funds in fiscal year 2010 to assess the feasibility, practicability, and implementation needs of a drug importation program.

The fiscal year 2010 Budget supports the creation of a new regulatory pathway under the Public Health Service Act for FDA approval of "generic biologics," a term that refers to follow-on biological products that are highly similar to—or biosimilar—and may be substitutable or interchangeable for a previously approved biological product. As I mentioned in my testimony, establishing a generic biologics pathway will require new legislation.

FDA has approved follow-on versions of certain protein products under the existing abbreviated approval pathways in the Federal Food, Drug, and Cosmetic Act. However, the majority of protein products now on the market have been licensed as biological products under the Public Health Service Act, which does not contain analogous abbreviated approval pathways.

Safe and effective generic biologics may prove to be a critical element to lowering costs for American consumers and the healthcare system more broadly. FDA would require additional resources to augment our existing capabilities for regulatory activities associated with a generic biologics program, and anticipates the need for significant additional analytical testing capabilities. Depending on the scope and requirements of any legislation establishing a generic biologics pathway, we expect that there will be a large workload in the early phase of a generic biologics program in our pre-application activities—including meeting with industry and providing advice—as well as developing policy and procedures, publishing guidance, and promulgating regulations. We also anticipate receiving some applications for review shortly after enactment of legislation, with an increasing number of applications for review in subsequent years.

Question. Given that these proposals are being associated with reduced health care costs for Americans, do you believe that these will be included in the Presi-

dent's health care reform proposal? Are the policies developed enough at this time to be considered as a part of the health care debate?

Answer. Regarding drug importation, the fiscal year 2010 budget request is intended to conduct assessments to determine the feasibility, practicability, and implementation needs of a drug importation program.

Regarding generic biologics, the fiscal year 2010 Budget supports the creation of a new regulatory pathway under the Public Health Service Act for approval of generic biologics. Safe and effective generic biologics may prove to be a critical element to lowering costs for American consumers and the healthcare system more broadly.

Question. Let's say both proposals are passed this year, does the fiscal year 2010 request provide appropriate resources to enact the new policies?

Answer. Regarding drug importation, the fiscal year 2010 request is not intended to provide resources to enact any new policy. Rather, the budget request is intended to determine whether and what programs might be feasible, practical, and what would be needed for implementation.

Regarding generic biologics, the fiscal year 2010 request is not intended to provide resources to enact a new policy on generic biologics, given that creation of a generic biologics pathway would require new legislation. Although the administration budget proposal describes user fees as a financing structure to cover certain costs of a new generic biologics pathway, the current proposal indicates that precise collection levels would be negotiated for each year, including fiscal year 2010.

PERFORMANCE RESULTS

Question. We have made significant investments in FDA. Since 2006, FDA's appropriation has increased by 39 percent. If the fiscal year 2010 budget is enacted as requested, FDA's appropriation will have increased by 59 percent in 4 years. This is a significant amount of money and we expect FDA to be accountable for these resources and show results. What is your plan for showing tangible outcomes for the resources we have made available?

Answer. FDA's plan for showing tangible outcomes for the resources Congress has made available is to track our progress toward specific milestones and report our accomplishments to Congress on a regular basis. FDA is reporting accomplishments on a monthly basis for its expenditures of fiscal year 2008 Supplemental funding. For expenditures of the funding increases FDA received in the fiscal year 2009 Omnibus bill, we report accomplishments on a quarterly basis.

Question. I expect that FDA's goals will be something to strive for and not something that can be easily attained, do you share this expectation?

Answer. Where our goals are specific, FDA should meet them or have a good explanation for failing to do so. Where our goals are aspirational, FDA should be able to demonstrate concrete progress towards improving the health of the American people.

TOBACCO REGULATION

Question. Congress is likely to pass a bill this year that will give FDA authority to regulate tobacco. The administration supports this effort. We've mentioned that FDA currently regulates 20 percent of all consumer expenditures. Adding more to this already daunting job is not an easy task.

The authorizing committee has tried to make sure that industry user fees, and not appropriated dollars, are used to support tobacco regulation. However, until the fee is collected, which could be months after enactment of the tobacco bill, FDA will be permitted to use appropriated funding to start the process of regulating tobacco. The Appropriations Committee has provided funding for very specific food safety and medical product safety activities. We do not want to see these efforts unnecessarily delayed because FDA shifts its focus to tobacco.

What assurance can you give me that any appropriated funding directed to tobacco will not delay critical activities we have funded? What is the minimum amount of appropriated dollars necessary to get the tobacco user fee program started?

Answer. In order to begin implementation of this important program FDA will borrow $5 million from its fiscal year 2009 budget authority. This modest sum is necessary to establish a process to calculate the amount of user fees due, issue bills, and collect fees from covered manufacturers and importers of tobacco products. We estimate that we will need approximately 4 staff to establish the user fee program and there will be associated expenses to adapt our existing IT systems to include billing and collection of these fees. In addition to establishing the user fee program, we would also use these borrowed funds to hire a small number of staff, perhaps 10 or 12 individuals, to begin the work entrusted to the new Center for Tobacco

Products. The agency would repay the borrowed funds within 6 months or as soon as sufficient user fees are collected. We have identified sources for these funds where borrowing and repaying the funding will not affect other FDA activities.

After this initial start up period, 100 percent of FDA activities related to tobacco will be funded through the collection of user fees from the tobacco industry.

Question. FDA has a limited leadership team that's currently struggling to keep up with the agency's current mission. How do you intend to make sure that tobacco regulation does not hinder this leadership team's ability to work on food safety and medical product safety issues?

Answer. The creation of this center will not distract the agency from its other activities and or hinder its ability to work to improve the safety of food and medical products. The agency is working to recruit a strong director for the Center for Tobacco Products who will have our full support in implementing the Family Smoking Prevention and Tobacco Control Act. After the initial start up period, 100 percent of FDA activities related to tobacco will be funded through the collection of user fees from the tobacco industry.

FOOD SAFETY, WHITE HOUSE WORKING GROUP

Question. As a member of the White House Food Safety Working Group, what priorities have you outlined regarding food borne pathogens?

Answer. From E. coli O157:H7 in spinach to Salmonella in peanut butter, foodborne pathogens are the most significant cause of food borne illness outbreaks. In the White House Food Safety Working Group, or WHFSWG, FDA has advocated for requirements for wide scale adoption of preventive controls by the food industry, in addition to supporting specific actions to reduce food borne pathogens such as Salmonella Enteritidis in shell eggs and E. coli O157:H7 in leafy greens. Effective preventive controls can reduce or eliminate foodborne pathogens. FDA has also suggested an enhanced public health surveillance infrastructure to help determine a baseline for pathogens of public health significance in foods, determine the source and respond more quickly when pathogens appear to be linked to foodborne illness, and prioritize the development and use of rapid detection methods for foodborne pathogens. In addition, FDA has recognized the agency's need to provide better information to consumers on the steps they can take to minimize these hazards, including thorough cleaning and cooking of foods and appropriate handling practices to reduce the likelihood of cross contamination.

Question. There has been discussion that there should be on-farm testing of livestock for food borne pathogens; is this something you support and if so could you elaborate?

Answer. Foodborne pathogens in livestock create at least two potential issues: contamination of the meat or other products from livestock and contamination of crops when the pathogens are spread through the waste of the livestock. USDA has preventive control programs in slaughterhouses to address the first issue. The second issue requires study of the microbial ecology of the farm environment, and standards for the safe production of produce. It is premature to say whether testing would be the most effective approach at this point.

USE OF ANTIBIOTICS IN ANIMALS

Question. Antibiotics have been used to treat and prevent disease or promote growth in animals for more than 50 years. Like physicians and their patients, veterinarians and their clients share responsibility for the proper use of antibiotics. Antibiotics are tools used by veterinarians and producers to quickly address clinical and sub-clinical disease and keep animals healthy and productive. Antibiotics used by producers are approved by the FDA after they undergo rigorous review for safety to animals, humans and the environment. Producers have a vested interest in using antibiotics responsibly and view the use of antibiotics very seriously, yet there are attempts by some to eliminate antibiotic use on the farm. Animals get sick. Our producers and veterinarians need the tools to keep them healthy. What do you plan to do with the animal antibiotic approval process?

Answer. In 2003, FDA implemented new policies for evaluating antimicrobial drug safety as part of the new animal drug approval process. At that time, FDA issued Guidance for Industry—GFI—#152, Evaluating the Safety of Antimicrobial New Animal Drugs with Regard to their Microbiological Effects on Bacteria of Human Health Concern. This guidance describes a risk-based assessment process for evaluating antimicrobial resistance concerns associated with the use of antimicrobial new animal drugs in food-producing animals. The guidance also describes recommended measures for mitigating such risk. FDA believes the assessment process described in this guidance has been a very effective approach for addressing antimicrobial re-

sistance concerns for food animal products being evaluated for FDA approval. The agency has no plans to make any significant changes to this preapproval assessment process as this time.

FDA recognizes the importance of maintaining the availability of effective antimicrobial drugs for treating, controlling, and preventing disease in animals. However, the agency believes it is critically important that antimicrobial drugs be used as judiciously as possible in an effort to minimize resistance development. The agency is currently considering strategies for addressing this issue.

NATIONAL ANTIMICROBIAL RESISTANCE MONITORING SYSTEM

Question. The National Antimicrobial Resistance Monitoring System—NARMS—is a critical tool for the entire food chain. How do you ensure the money is used appropriately and goes towards NARMS surveillance and not other activities? Please provide, for the record, a distribution of NARMS funding by activity.

Answer. As you indicate in your question, the National Antimicrobial Resistance Monitoring System—NARMS—is a critical tool for the entire food chain. We take this responsibility and the use of funds designated to this public health tool, very seriously. FDA has established financial safeguards—for example, auditing and reporting—in our funding allocation and expenditure financial system to ensure that funds intended for NARMS and other critical programs are expended on those activities only.

The following is a distribution of NARMS funding by activity for fiscal year 2008, the last year that actual amounts for a fiscal year are available.

[In millions of dollars]

USDA	1.4
CDC	1.8
FDA	3.5
Total	6.75

PERSONALIZED MEDICINE

Question. In your testimony, you State that FDA "will address patient-product interactions that generally do not relate to manufacturing flaws." In the past we've called this effort "personalized medicine"—trying to make sure certain populations that are genetically predisposed to a bad reaction to a treatment are screened in advance and not given the treatment.

This initiative has an alternate goal too. In some cases, certain populations are genetically predisposed to have an overwhelmingly positive reaction to a treatment. We also want to be able to find these patients and make sure they get the treatment that is best for them.

What is your vision for this proposal? Will FDA engage industry during the drug development or clinical trials process to help isolate these unique populations? Or, will FDA work with industry to conduct studies after approval?

Answer. Our vision and evolving practice with regard to personalized medicine is to study genetic, molecular, and patient-specific factors that can affect an individual's response to drugs or medical devices. Our efforts will continue to span the continuum of a medical product's lifecycle, which includes discovery, development, and use by the public with a focus on both safety and efficacy.

In the pre-approval setting, we will continue to work with industry to use pharmacogenetic principles to identify optimal doses for patients, specific patient characteristics that would confer a better chance of taking a medical product that works and populations with unmet medical needs. These efforts help the industry bring products to market and help large segments of the public.

For drugs to be targeted to the right patients, it is usually necessary to have a diagnostic test that can accurately identify just who the right patients are. We have discovered through ongoing interactions in this area with industry that upfront guidance and advice is needed, and close cooperation between FDA and industry, as well as between FDA's product centers is essential. For these reasons, we have established groups within the Center for Drug Evaluation and Research and the Center for Devices and Radiological Health that have specific expertise to focus on personalized medicine issues and work to make sure that the personalized medicine vision moves as quickly and as smoothly as possible within the confines of our regulations. We expect that as new drugs are developed and are beginning clinical trials, we will be able to provide timely advice to the drug and device manufacturers to

assure that the test and the drug are ready for patient use at the same time, and that the combination is really working as we expect it to.

We also have begun working with sponsors of drugs that are already on the market to implement tests that can make the drug work better, by determining postmarket whether there are certain identifiable populations that can gain benefit more than others, or populations that would be harmed by exposure to the drug. After a drug is approved, we continue to protect the public health by including important pharmacogenetic information in drug package inserts. Some notable examples include drugs used by millions of people worldwide such as the blood thinner warfarin, marketed as Coumadin, the anti-platelet drug clopidogrel, marketed as Plavix, the HIV medication abacavir, marketed as Ziagen, and the seizure medication carbamazepine, marketed as Tegretol. These efforts give clinicians a better understanding of why patients respond to medications so differently, and in some cases prevent life-threatening events such as serious bleeding, ineffective treatment, and fatal allergic reactions.

In addition to drug development initiatives and labeling updates, we will continue to build our research infrastructure. We have established relationships with universities, pharmacy benefits managers, healthcare systems, personalized medicine coalitions, and sister HHS agencies, AHRQ and NIH, to answer questions related to drug response variability, and to create dialogue among many constituents to advance the public health mission of FDA. In summary, our vision is one where information on a drug's benefits and risks can be applied to individual patients using new knowledge and interventions developed through our involvement both before and after a drug are approved.

HUMAN RESOURCES/HIRING ISSUES

Question. In 2004, The Department of Health and Human Services—HHS—consolidated all human resource functions into 5 servicing centers. FDA, along with several other agencies, is serviced by the Rockville Human Resources Center.

It has recently come to my attention that an internal audit conducted by HHS found that the Rockville HR Center, which services FDA, was failing in many areas. As a result, this center lost its authority to hire individuals from outside the government. HHS has implemented a process to work around this situation. However, this process has added time to FDA's service agreement, and FDA has had to independently contract with the Office of Personnel Management—OPM—for some personnel actions. It may be more than a year before the Rockville HR Center gets all of its authority back.

Given that the subcommittee has invested significantly in FDA by increasing the agency's budget by more than 39 percent since 2006 and that FDA is in a hiring surge right now, I take this situation very seriously. Currently, FDA is paying HHS for a service that is not being provided as contractually agreed, and is also outsourcing additional human resource activities to OPM in order to fill the gap left by the Rockville HR Center.

Can you update us on this situation? How does this affect FDA's ability to bring qualified employees onboard?

Answer. The significant budget increases resulting in a surge of hiring at FDA coupled with the Rockville HR Center's loss of outside hiring authority have strained the capacity of the FDA to effectively bring on the best qualified individuals. FDA can lose highly qualified candidates because of a new quality review process that has increased the time it takes before vacancies are advertised, certificates are issued and job offers are made.

FDA is working closely with HHS to address this situation.

Question. Since FDA is independently contracting with OPM for certain services, essentially paying two organizations for one job, would allowing FDA to send all personnel actions through OPM or allowing FDA to conduct human resource actions "in house" be a more preferable arrangement for the agency?

Answer. Allowing the FDA to send all personnel actions through OPM is not an idea that has been fully researched. FDA would need to consult with OPM on its ability to provide such extensive staffing services for the Agency as we are not aware that OPM has the capacity to serve a large agency.

Ideally, in order for FDA to be successful and effectively manage its human capital, FDA is in need of a HR solution that provides more a strategic concentration and alignment with its human capital goals with business needs, that is customer focused, that ensures effective policy and practices are in place, that is appropriately structured, resourced and supported and that has staff with an extensive understanding of the client and its mission. FDA is working closely with HHS to develop such a solution.

FOREIGN OFFICES

Question. In fiscal year 2008, the subcommittee provided funding for FDA to begin the process of opening offices in foreign countries. For the first time, FDA employees are permanently stationed in countries like China and India that export a lot of FDA-regulated products. Can you update us on the status of the foreign offices? Where are they located and are they fully staffed?

Answer. I am happy to provide the status of FDA foreign offices. The location of FDA's foreign offices and their status are listed below. The persons who have been hired but have not yet reported to their duty posts are training for their assignments as well as undergoing the various Department of State clearances required of them and their families. They are also performing various assignments pertaining to their future deployment from their current duty stations in the United States and through temporary duty assignments in-country.

China.—A total of 8 FDA staff will be posted in three locations, Beijing—4, Shanghai—2 and Guangzhou—2. The locations were opened in November 2008. At this time, only the Country Director is posted in-country. By June 1, 2009, four additional FDA staff will be posted in-country and the remaining three by the end of July.

India.—A total of 12 FDA staff will be posted in two locations, New Delhi and Mumbai. The New Delhi office opened in January 2009. At this time, only the Acting Country Director is posted in-country. By July 1, 2009, five additional FDA staff will be posted in-country, one by July 30, 2009, and another by November 1, 2009. Four additional hires will be made and deployed in-country early in CY 2010.

Latin America.—A total of 7 staff will be posted in three locations, Costa Rica, Chile and Mexico. The San Jose, Costa Rica office opened in January 2009. At this time, only the Regional Director is posted in-country, in Costa Rica. By August 15, 2009, 4 additional FDA staff will be posted in-country. Two additional hires will be made and deployed in country early in CY 2010.

Europe.—A total of 3 staff will be posted in three locations: Brussels, Belgium; London, England—the European Medicines Agency; and Parma, Italy—the European Food Safety Agency. The Brussels location opened in December 2008. At this time, only the Regional Director in Brussels is posted in-country. The staffer for the London location will be posted in-country on June 22, 2009. The staffer for Parma will be hired and posted in-country in early CY 2010.

Question. Do you have any specific examples of how staff located in foreign countries has made FDA-regulated products exported to the United States safer?

Answer. The primary purpose of posting FDA scientists and inspectors overseas is to engage more proactively and consistently with various communities—regulatory, industry, and third parties—in strategic regions abroad to help FDA better accomplish its domestic mission to promote and protect the public health of the USA. FDA staff in foreign countries do this by helping FDA acquire more robust information based on which the Centers and ORA can make the necessary decisions to help assure the safety, efficacy—as appropriate—quality, and availability of FDA-regulated products. To this end, FDA officials abroad are involved in the activities described below.

FDA is working with counterpart agencies in countries where we have foreign offices, gathering better knowledge about the production of FDA-regulated products and their transport to U.S. ports. FDA is also working with trusted counterpart agencies to leverage scientific, inspectional, and other resources. When requested, FDA is engaging with developing counterpart agencies to help build their regulatory capacity. In addition, FDA is working with private and public sector trusted third parties, and we are providing helpful information about industry compliance with FDA regulatory standards. FDA is also working with regulated industry to provide greater information about the applicable standards for their products to be admitted to the USA. FDA is engaging with U.S. agencies that are already present in foreign countries]that have complementary missions to FDA.

An example of how FDA staff located in foreign countries has helped make FDA-regulated products safer is the situation with contamination of various dairy and dairy-containing products from China that were found to contain melamine or its analogs. FDA issued an Import Alert just prior to the FDA office's opening in Beijing. The FDA Country Director facilitated collaboration with the Chinese Government to address the problem in an expedited manner.

FISCAL YEAR 2009 SUPPLEMENTAL FUNDING

Question. In fiscal year 2009, FDA received $150 million in supplemental funding to jump start activities that would be funded with the regular fiscal year 2009 appropriations bill. Nine months after this funding was provided, FDA has spent about

$30 million. The agency only has only 4 months, until September 30, 2009, to spend the remaining $120 million. Does FDA have a plan to spend the remainder of this money or will it go back to the Treasury at the end of the fiscal year?

Answer. FDA has a plan in place to spend the $150 million provided in the fiscal year 2008 Supplemental. FDA has designated $30 million of the Supplemental for Information Technology—IT—and FDA is at various stages of the procurement process to spend the unobligated balance of the $30 million so that the contract awards will be made by the end of this fiscal year. Further, FDA planned to add 324 staff with funds provided by the fiscal year 2008 Supplemental, and FDA has achieved approximately 83 percent of that staffing goal. The balance of the year will see a steep acceleration of spending of the fiscal year 2008 Supplemental funds for payroll and related operational costs, and the obligation of contracts for IT projects and purchase of equipment.

CRITICAL PATH INITIATIVE/MODERNIZE DRUG DEVELOPMENT

Question. In March of 2004, former Commissioner McClellan referenced a need to modernize development paths and processes back in FDA's "Innovation or Stagnation" document which led to the Critical Path initiative. It's been more than 5 years now. Over the past 2 years the subcommittee has provided more than $23 million for the critical path initiative. Do you think that initiative has been a success and why/why not?

Answer. The Critical Path Initiative—CPI—is an unequivocal success. CPI is leading the Sentinel Initiative, working to develop and implement America's first active system to enable FDA to query large health information databases and monitor, in real time, medical product safety and efficacy. CPI is modernizing the electronic portal MedWatchPlus, enabling better and more complete adverse events reports.

In an FDA collaboration with the Serious Adverse Events Consortium, a genetic link has been identified associated with acute liver injury in some people who take the antibiotic Flucloxacillin. SAEC is making publicly available to researchers pooled data on genetics associated with drug-induced skin rashes like Stevens-Johnson syndrome. In 2007, FDA approved a new genetic test to help physicians assess whether a patient is especially sensitive to the blood-thinner warfarin and updated the label. In 2006 and 2007, FDA's CPI launched more than 40 research projects. In 2008, CPI researchers collaborated with 84 government agencies, universities, industry leaders and patient groups from 28 States and 5 countries on 60 research projects that are speeding the development of innovative therapies and safety monitoring systems to treat killers like tuberculosis, cancer, and Alzheimer's.

CPI is modernizing the clinical trials enterprise to increase the quality and efficiency of clinical trials and ensure trial participant safety. As part of a personalized medicine initiative, CPI research has identified genetic biomarkers that are being explored for their value in making medicines safer and more effective. CPI is supporting and leading innovations needed to transform FDA into a robust, 21st-century regulatory agency. CPI is implementing cutting-edge information systems vital to supporting medical innovation and public health safety, like e-management of clinical study information and an e-platform to move FDA's largely paper-based infrastructure to a fully automated system.

OFFICE OF GENERIC DRUGS

Question. Dr. Sharfstein, last year the Committee expressed interest in adequate funding for the Office of Generic Drugs—OGD—an interest which still remains. As FDA has noted, almost 70 percent of prescriptions are now filled with generics; it is obvious that in an environment emphasizing greater need for cost control, one key area that has been successful in achieving savings has been greater reliance on quality generic drugs.

Last year, FDA advised the Committee that OGD's target was 1,900 actions for fiscal year 2009, including approvals, tentative approvals, not approvable and approval actions on applications. FDA stated that the agency was on track to achieve that goal and to exceed the fiscal year 2008 number of 1,780 actions. Could you update us on the actual progress made in each of these categories? Please outline the reasons why you believe FDA has either been exceeding or failing to meet those goals.

Answer. The Office of Generic Drugs—OGD—had 1,779 total actions in fiscal year 2007 and in fiscal year 2008, a total of 1,933 actions. The Office is expecting to meet the fiscal year 2009 goal of 2,033 actions. As of the end of May 2009, OGD had taken 399 approval or tentative approval actions and 941 not approval actions for a total 1,340 actions. The average for the 8 months is 167. To meet the goal, the average for the remaining months must be 173 actions per month. OGD believes it

will achieve that average because there has been an upward trend of actions per month related to newer reviewers becoming more productive.

Question. Last year, FDA stated that the fiscal year 2003–2005 cohort approval time was 16.6 months and that the yearly median time to approval increased due to the escalating workload. Please update those numbers for us. We are interested in seeing recent numbers relating to how long oldest ANDAs which are still under review have been pending before the FDA. In July, 2008, the agency advised the Committee that there was one ANDA pending for 11 years, 9 pending over 9 years, and about 100 pending for more than 4 years. Could you provide us with an updated status report on those numbers? What emphasis is being placed on clearing this backlog? What are the reasons for these delays?

Answer. The median time to approval currently stands at 21.6 months. This includes both the time with the Office of Generic Drugs—OGD—and the time with the applicants as they prepare responses to deficiencies that FDA identifies.

Approval time has been increasing due to the number of pending applications. There are currently 137 applications that have been pending longer than 4 years. There are a variety of reasons for certain applications remaining as pending for a long time. Some are pending because of the need to achieve a satisfactory inspection result. Others are pending because the sponsor firms are subject to the application integrity policy that precludes FDA approval. Others may be held up because of patents, 180-day exclusivity, or other legal matters. Others have complicated scientific matters that require additional review time and subsequent additional review cycles. While OGD tries to be as efficient as possible in the review process, OGD officials want to be certain that all deficiencies and scientific issues are addressed before approval.

The number of pending applications remains at around 1,600 applications. OGD is concerned about the number of pending applications and the office would like to clear the backlog. However, the OGD continues to receive more applications than it can act on each month. Within the group of pending applications, there are applications that cannot be approved because of patents or exclusivity on the reference drug, and there are applications that have had at least one review cycle. In addition to the workload of original abbreviated new drug applications—ANDAs—OGD receives around 350 supplements per month for post-approval manufacturing changes that also require review and action.

Question. FDA also advised the Committee in 2008 that many of the old, pending ANDAs "have challenging scientific issues with respect to determination of bioequivalence resulting in extended review periods." This acknowledgement of potential scientific inadequacies at OGD is of concern. In February, OGD Director Gary Buehler stated his goal of fully staffing two bioequivalence divisions and adding a third division. He also indicated his priority in securing additional microbiologists and recruiting a pharmacologist/toxicologist to enhance the Office. What actions does OGD take to address these challenging scientific issues? What progress has been made toward reaching Mr. Buehler's goals? To what extent is OGD using, or could it be placing more emphasis on using, the scientific capabilities of other offices within CDER for the more complicated scientific reviews? We are interested in learning whether, then, the backlogs at OGD are strictly a matter of resources, a question of where the resources are being placed, or a lack of collaboration within FDA agency-wide?

Answer. The Office of Generic Drugs—OGD—continues to work under a structure of two Divisions of Bioequivalence and three functioning Divisions of Chemistry. The addition of another division in both the chemistry and bioequivalence review areas would enhance review efficiency. During 2008, OGD hired 10 microbiologists, and the office now has 17 on staff. That business unit is steadily increasing review output as new microbiology reviewers become more productive. OGD has developed the position description for a pharmacologist/toxicologist, and the office will advertise that position soon.

In addition, OGD has increased its science staff over the past year. OGD scientists assist the review divisions by addressing challenging scientific and review issues. The Science Staff in OGD oversees contracts for studies with outside groups.

OGD uses the scientific capabilities of other offices and collaborates with scientists Agency-wide by routinely consulting experts in other components of the Center for Drug Evaluation and Research, seeking opinions on clinical matters from physicians in specialty areas, seeking concurrence on bioequivalence assessments from the Office of Clinical Pharmacology, using statisticians from the Office of Translational Sciences, assessing potential safety matters through consults to the Office of Surveillance and Epidemiology, requesting input on questions of immunogenicity from the Office of Biotechnology Products, requesting certain lab-

oratory research from the Office of Testing and Research, and using the services of the Advisory Committee for Pharmaceutical Science.

Managing and reducing the backlog of applications requires ensuring OGD has the right number of staff are on board, has the right skill sets to address the various scientific issues, and continues coordination and collaboration with the right staff within FDA. OGD continues to manage and reduce the backlog using this three-pronged strategy.

Question. The President's budget relies on substantial resources for OGD and its field activities through a new Generic Drug User Fee. As you know, this fee has been proposed in the past and was not implemented. How optimistic are you that such a user fee can be enacted this year, and what activities have you undertaken to develop a specific proposal and when might the Committee learn more about this?

Answer. Although generic drug user fees have been proposed in previous budgets, FDA plans to reengage the generic drug industry in user fee discussions this year to make progress on this important proposal. Our aim will be to develop a user fee program that provides the FDA generic drug program with the resources needed to modernize and enhance the capacity of the generic drug review process and to ensure timely patient access to safe and effective new generic drugs. FDA believes that the resources in the fiscal year 2010 proposed generic drug user fee program are necessary to reduce the review backlog and ensure patient access. Although there are uncertainties associated with any new user fee discussions, FDA believes that successfully concluding discussions with stakeholders will promote the important goals of timely patient access to safe and effective generic drugs.

Question. The Food and Drug Administration Amendments Act of 2007—Public Law 110–85—contained a new provision intended to speed the agency's review of Citizen Petitions. Could you provide the Committee with estimates of how many petitions you have reviewed under this new authority and the timeframe for that review? How many petitions were pending before enactment of Public Law 110–85 and what is their status?

Answer. Section 914 of the Food and Drug Administration Amendments Act of 2007—FDAAA—added section 505(q) to the Federal Food, Drug, and Cosmetic Act—the Act. This amendment requires that FDA respond to certain petitions regarding the approvability of certain applications within 180 days. Specifically, new section 505(q) applied the 180 day timeframe to citizen petitions and petitions for stay of agency action that pertain to the approvability of a pending application submitted under section 505(b)(2) or (j) of the act—generic drug applications. This complex provision of FDAAA took effect upon enactment—September 27, 2007. Therefore, FDA has had to interpret the new provision and develop implementing procedures while simultaneously addressing citizen petitions and petitions for stay that are subject to the new requirements.

FDA has received 40 citizen petitions as of May 20, 2009 that is subject to section 505(q) and has responded to 29 of those petitions as of May 20, 2009. Of the 29 responses, 28 were answered in 180 days or less. The remaining 505(q) petitions have been pending with the agency fewer than 180 days.

Prior to enactment of FDAAA, there were approximately 216 citizen petitions pending, of which approximately 73 raised issues about the approval standards for generic applications, patents or exclusivity, or other issue that could delay approval of generic applications. Not all of the 73 pending petitions would have been subject to section 505(q) even if they had been submitted after it passed. We have completed approximately 21 of these 73 petitions, and 29 of the other backlogged petitions, since the passage of FDAAA.

SUBCOMMITTEE RECESS

Senator KOHL. At this time, we will bring this hearing to a close, and the subcommittee will stand in recess until June 4 when we'll be talking about the USDA budget request.

Thank you very much.

Dr. SHARFSTEIN. Thank you.

[Whereupon, at 3:02 p.m., Tuesday, May 19, the subcommittee was recessed, to reconvene subject to the call of the Chair.]

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2010

THURSDAY, JUNE 4, 2009

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 1:05 p.m., in room SD–192, Dirksen Senate Office Building, Hon. Herb Kohl (chairman) presiding.

Present: Senators Kohl, Harkin, Johnson, Nelson, Reed, Pryor, Specter, Brownback, Bennett, Cochran, Bond, and Collins.

DEPARTMENT OF AGRICULTURE

OFFICE OF THE SECRETARY

STATEMENT OF THOMAS VILSACK, SECRETARY

ACCOMPANIED BY:

DR. KATHLEEN MERRIGAN, DEPUTY SECRETARY

DR. JOSEPH GLAUBER, CHIEF ECONOMIST, U.S. DEPARTMENT OF AGRICULTURE

DR. SCOTT STEELE, BUDGET OFFICER, U.S. DEPARTMENT OF AGRICULTURE

OPENING STATEMENT OF SENATOR HERB KOHL

Senator KOHL. Good afternoon to everybody. We would like to welcome Secretary Vilsack back to this subcommittee at this time to present the administration's fiscal year 2010 budget request for USDA. The Secretary is accompanied by Dr. Kathleen Merrigan, Deputy Secretary; Dr. Scott Steele, the USDA Budget Officer; and Dr. Joseph Glauber, the USDA's Economist. We thank you all for being here with us today.

The fiscal year 2010 budget for discretionary programs at USDA is $21.25 billion. This is an increase of $1.9 billion from last year, or nearly 10 percent. At first glance, this appears to be a very robust budget and in many important ways, it indeed is.

The WIC program, which many of us consider essential, has been underfunded in recent executive budgets. By contrast, this budget includes an increase of $917 million so that we can deal with increased food costs and maintain participation.

The rental assistance program would see an increase of $189 million to prevent a large number of poor rural residents, many of them elderly, from losing their homes.

And funding for humanitarian food aid has increased by $564 million.

These three changes alone make up nearly 90 percent of USDA's total budget increase. Just to repeat that, these three items alone make up nearly 90 percent of the total increase in the budget.

The rest of the money goes quickly. Information technology at the Department would see an increase of $117 million. These funds are necessary to improve USDA data security and make sure computer systems do not fail. Without them, we run a significant risk of delayed farm payments and deferred farm bill implementation.

USDA energy programs, which we hope will help lead our Nation toward a renewable energy future, receive an $80 million increase.

The Food Safety and Inspection Service budget includes an increase of $47 million to provide more inspections and improve information systems.

There are obviously more increases, but I will leave those for the Secretary to discuss. I would like to point out, however, that a portion of these increases are made possible only by reducing mandatory farm bill spending to the tune of $678 million. This is nearly $200 million more in cuts than we took last year. While I appreciate the Department's mandate to find offsets to fund the President's initiatives, I am certain you understand the precarious situation these farm bill cuts create in Congress.

Mr. Secretary, our Nation has significant challenges ahead, and this budget lays out a plan to begin addressing them, but I have feared for some time that many do not fully appreciate the breadth of USDA's mission or why these investments are important.

All of us enjoy greater food safety because of USDA. Nearly one in five Americans participate in USDA nutrition programs. USDA research is developing better crops and energy systems whose benefits are widely spread across our society.

Rural development programs bring safe drinking water, affordable housing, and essential community facilities to regions that would otherwise almost certainly be overlooked. These are all important tasks that demand thoughtful, deliberative treatment in the appropriations process.

So, Secretary Vilsack, I—and I am sure everybody else—am very pleased that you're here. We all believe that you will do an outstanding job, and we look forward to working with you in the coming years.

After other opening statements from Senators, Mr. Secretary, the floor will be yours.

Senator Brownback.

STATEMENT OF SENATOR SAM BROWNBACK

Senator BROWNBACK. Thank you very much, Mr. Chairman.

Welcome, Mr. Secretary. Good to have you here and good to have a good fellow Midwesterner in that position of Secretary of Agriculture.

I also think it is very, very, very helpful to the Midwest that Iowa is the first caucus. It drives a lot of Senators to travel through Iowa and get to know our issues throughout the Midwest. So I think that is a very good thing. They formed a caucus in the U.S. Senate of Members of the U.S. Senate who would never, ever, ever

run for President, and there is like two people in it. So it means 98 have got some passing interest of going through your State. And I am delighted you are hearing about them.

I am glad you are at USDA. USDA touches each American's life multiple times a day, food, housing programs, research and assistance. My State of Kansas is a great beneficiary of USDA programs. It got the first land grant university in the country at Kansas State University. We have got valuable USDA research. We provide valuable USDA research. My State produces a lot of food and agricultural products, and we are dependent upon that research. We want to see it continue.

I want to highlight two quick areas. I really want to hear from you today about your targets that you want to hit as Secretary of Agriculture. You have a great position and a period of time in which you get to drive the ship, and I want to hear where you want to take it.

A couple that I am very concerned about, food insecurity around the world. I think this is a big problem for us. It is a big opportunity for us in both providing food for people, and then I think getting back on agricultural development programs globally.

I have been doing a fair amount of research and meeting with experts on this. In the mid-80s, we pulled out of agricultural development work in a lot of places around the world, and I think it has been quite harmful to us. I think there was a trend at that point in time, it is not really working, we do not need to do this, so let us pull out of it and let us just go to emergency food assistance programs. And I think we have suffered consequences because of it. I am going to go through that some more in questioning.

But particularly what Senator Bond has pushed in Afghanistan on some of the ag development work to help us stabilize Afghanistan I think is good in a fighting region, but there is also chronic places like Malawi and others where agricultural developments continue to decline. I think we need to figure out ways we can use our food assistance, again, to get us back in the agricultural development game, and I think it is important to do it.

Another one is in bioenergy. I do not think there is an area that the rural States are more excited about than bioenergy. Certainly grain-based ethanol is having some difficulty now and there is some consolidation taking place in that business. But it is providing a key portion of our energy equation. Our efforts in cellulosic ethanol are very intriguing and I hope will be quite successful. Biomass. I just came from an Energy meeting markup and we are looking more and more at biomass for meeting renewable energy standards and needs. Wind energy, although not in your purview, is one that generated a lot of interest and support across many areas of the Midwest. I cannot think of probably a better area for rural development than in the bioenergy field, and I want to hear what you want to try to do more in that particular area.

The final point is on rural development programs. I have been around this for a long time. There are 90 different grant, loan, or standalone programs in the rural development area, and you have got to really question whether we need all 90 of those or if you would be better off with three big, well-funded ones or five maybe. But it just has made it so complicated that people cannot access

it or they get a little piece here and they find another piece there. You have got to hire somebody to find the program. I would think it would really be one you could break into.

So I am delighted to have you at that position. Welcome here.

I want to welcome Susan Collins, new to the subcommittee, as well. Mr. Chairman, she is going to do a great job and educate us about Maine agriculture and potatoes and all sorts of other things I am sure. Lobster, a great Maine dish. So thank you very much for the hearing. Welcome, Susan.

Senator COLLINS. Thank you.

Senator KOHL. Thank you very much, Senator Brownback.

Other statements from Senators? Senator Pryor, Senator Cochran, Senator Bond, Senator Johnson, and Senator Collins.

Senator Cochran.

Senator COCHRAN. Mr. Chairman, I ask unanimous consent that my statement be printed in the record.

[The statement follows:]

PREPARED STATEMENT OF SENATOR THAD COCHRAN

Mr. Chairman, thank you for holding this hearing to review the Administration's fiscal year 2010 budget request. I welcome Secretary Vilsack and other officials from the U.S. Department of Agriculture on the witness panel.

Mr. Secretary, I commend you for working aggressively to implement the 2008 farm bill. The enactment of this new law followed many hours of debate, and it should be implemented so as to reflect the intent of Congress. I also want to highlight the fact that production agriculture views the farm bill as a multi-year commitment from the government. In other words, I ask you to resist the urge to reopen farm bill provisions that impact the farm safety net.

In addition, I want to mention the importance of the Natural Resources Conservation Service and its role in administering conservation programs. Programs such as the Environmental Quality Incentive Program, Wetlands Reserve Program and Wildlife Habitat Incentive Program are important to farmers and land owners across the United States. These conservation programs are limited by either funding caps or acreage caps, so it is important to wisely administer these funds to as many producers and landowners as possible.

An important aspect of the Agriculture Appropriations bill is the annual funding provided for agricultural research. This research helps enable U.S. producers to remain the leaders in food and fiber production. We need to work toward providing adequate funding to continue important research initiatives.

Mr. Secretary, I am concerned about your recent comments suggesting that agriculture may benefit from cap-and-trade offsets. It is more likely that crop producers will face increased input costs if Congress enacts cap-and-trade legislation. As you review the impact of climate change legislation on agriculture, I ask you to remember that those producing the food we eat are important to our way of life. We should fully consider the consequences of further increasing input costs.

Thank you again for appearing before the subcommittee. I look forward to your testimony.

Senator KOHL. Thank you so much.

STATEMENT OF SENATOR TIM JOHNSON

Senator JOHNSON. Mr. Chairman, I ask unanimous consent that my full statement be entered into the record.

I have a couple other things to comment about. I am pleased that with the targeting of farm program payments with the $250,000 payment limitations cap. I am pleased that Secretary Vilsack has worked so hard at implementing country-of-origin labeling.

I am also concerned for some parts of the budget, including a $500,000 annual sales limit for direct payments which does not reflect actual farm income.

PREPARED STATEMENT

And I look forward to working with you on issues important to our ag communities and to fund priorities important to South Dakota. Thank you.

[The statement follows:]

PREPARED STATEMENT OF SENATOR TIM JOHNSON

Chairman Kohl and Ranking Member Brownback, thank you for holding today's hearing to discuss the President's fiscal year 2010 proposed agriculture budget. Thank you, Secretary Vilsack, for coming to the Hill today. I'd also like to especially thank you for the work you've done to implement mandatory Country of Origin Labeling properly, which has been a priority of mine for nearly 17 years, since I introduced my first meat labeling bill in 1992.

Agriculture has a $21.3 billion per year impact in South Dakota, and the Federal government's agriculture spending priorities impact the success of our rural communities and our national food security. I am pleased to see an emphasis on many important ag priorities in the President's proposed budget, including a targeting of farm program payments with a $250,000 commodities payment limit cap, Commodity Supplemental Food Program funding, and money for the implementation of COOL.

I am also, however, concerned for some parts of the budget, including the $500,000 annual sales revenue limit for direct payments, which does not reflect actual farm income, and a plan to cut funding for the Resource, Conservation and Development Councils, which generate over five local dollars for every dollar of Federal investment.

I look forward to working with you on issues important to our agricultural communities and to fund priorities important to South Dakota. Thank you.

Senator KOHL. Thank you, Senator Johnson.

Senator Bond.

STATEMENT OF SENATOR CHRISTOPHER S. BOND

Senator BOND. Thank you, Mr. Chairman. I will pass up the opportunity to be as brief as some of my colleagues.

I do want to mention one area that I think is of overall concern. The Food, Conservation and Energy Act of 2008 established the new National Institute of Food and Agriculture, or NIFA, to provide enhanced support for research, extension, higher education programs, dealing with all of the challenges not only that we face but the world faces. Research under this would encourage better land use management, provide efficient nutrition and nutrient and pesticide application, increase domestic energy production, increase nutrition awareness, many, many things.

I am disheartened that the administration in this initial budget proposal places little emphasis on ag research and, instead of increasing our capabilities, would cut $237 million from the research, education, and economics portion of the USDA budget. I think that is a cause for concern. I will ask a question on it, but I hope, Mr. Chairman and Senator Brownback, that we will be able to have a discussion on that.

Senator KOHL. Good.

Senator Collins.

STATEMENT OF SENATOR SUSAN COLLINS

Senator COLLINS. Thank you very much, Mr. Chairman. Let me just say that I am delighted to be a new member of this subcommittee.

I just want to express some concern also about the President's budget in the area of the zeroing out of the rural empowerment zones and Enterprise Communities Grants Program. There is no funding for resource conservation and development programs. As my colleague has mentioned, the agricultural research has taken a hit. Particularly, the USDA ARS Buildings and Facilities account is zeroed out as well as the Healthy Forest program. There are a lot of concerns that I have about the priorities set in this budget.

I am very pleased to be a new member of this subcommittee and to work with you, Mr. Chairman, and the ranking member, Senator Brownback. Thank you.

Senator KOHL. Thank you, Senator Collins. It is great to have you with us.

Senator COLLINS. Thank you.

Senator KOHL. Mr. Secretary, we would love to hear from you.

STATEMENT OF SECRETARY THOMAS VILSACK

Secretary VILSACK. Thank you, Senator, and Mr. Chairman, thank you very much for the opportunity. I appreciate the comments.

I am going to depart from what traditionally would take place, which is to read a statement that is a part of what we would submit for the record, and just simply talk very briefly about the priorities of USDA.

Let me, first and foremost, say that the budget that we are going to discuss today was fashioned in a fairly rapid time period, at a time when USDA was obviously not fully staffed and manned because we were in the process of transitioning to the new administration. So it is important, I think, for the committee to know precisely what our priorities are and how they might be reflected in this budget.

Let me, first and foremost, say that we believe the USDA is an every-day, every-way Department. As Senator Brownback indicated, this is a Department that intersects American lives every single day in multiple ways.

In order for us to reflect that role and that responsibility, we have a set of agenda items and priorities that really cover the wide range of USDA's portfolio.

We are very concerned about rural development and economic development in rural communities, and we believe that the time has come for a wealth creation approach to rural development that focuses on regional and coordinated investment, not only coordinating investments within USDA, but also coordinating those investments with other Federal investments as well as what State and local government is investing in economic development. We think there are synergies and opportunities for coordination.

We think there are opportunities to create wealth and repopulate rural America. We believe that will require us to target our resources, to focus on building the infrastructure for high-paying jobs, starting with an expansion of broadband to unserved areas. This committee, this Congress, through the American Recovery and Reinvestment Act, saw fit to provide additional resources, and I will assure the committee during the course of questions that we are intending on putting those resources to work very quickly to

expand that very important technology to unserved areas in rural America.

We want to aggressively implement the energy title provisions of the 2008 farm bill. We want to focus on expanding local and regional food systems for local wealth creation. We, obviously, want to continue a focus on value-added local commodity agriculture, and we want to make community facility investments that result in rural areas being great places to live, work, and raise families.

We also want to make sure that we continue to promote nutrition and food safety. It is the goal of the President. It is the goal of USDA, and I suspect it is the goal of this committee to significantly reduce childhood obesity and hunger in this country. At the same time, we will work with our partners at Health and Human Services to develop a modern and coordinated food safety system.

Our forests are extraordinarily important not only in and of themselves, but also for the significant role they play in preserving the quantity and quality of water, particularly in the Western United States. We want to develop an ecologically sustainable forest and private working land system with a focus on conserving water resources and improving water quality, while at the same time restoring our natural forests and linking that work with our conservation work on private working lands.

We want USDA to be a modern workplace and a modern workforce. That will require working with this committee to modernize, stabilize, and securitize our technology so that we may be able to provide services more quickly and more conveniently to people in rural communities.

We will focus on expanded trade promotion, particularly through a coordinated strategy for exporting biotechnology crops.

We will work very hard to advance the notion of food security worldwide based on the principles of expanding the availability of food, the accessibility of food, and the utilization of food. Our focus initially will go on Afghanistan and Pakistan and sub-Saharan Africa.

We also want to maintain an appropriate farm safety net. We will, obviously, have conversations about the proposal relative to direct payments, but our commitment is to work with this Congress to maintain a strong and adequate and appropriate farm safety net. We think there are opportunities for reform in crop insurance, and we do believe it is appropriate to focus on a $250,000 hard cap, but we will be glad to work with this committee on other ideas and other thoughts.

Finally, we want to be a Department that makes a true commitment to civil rights, a commitment that reflects the culture and diversity of this country that is also reflected in rural communities. We are committed to a fair resolution of outstanding and longstanding civil rights cases against the Department, as well as a reduction and resolution of equal employment opportunity complaints that are currently within the Department.

PREPARED STATEMENT

Mr. Chairman, this is an aggressive agenda. We believe that this budget, as presented to you, is a start. By no means will it finish

the job. We look forward to working with this committee and responding to questions that you might have. Thank you.

[The statement follows:]

PREPARED STATEMENT OF THOMAS VILSACK

Chairman Kohl and distinguished members of this subcommittee, it is a pleasure to come before this subcommittee today to discuss the details of the President's 2010 budget request for the Department of Agriculture. I would also like to take this opportunity to provide you an update on our efforts to eliminate wasteful and inefficient spending and to implement the American Recovery and Reinvestment Act (ARRA) of 2009.

I am joined today by Deputy Secretary Kathleen Merrigan; Scott Steele, our Budget Officer; and Joseph Glauber, our Chief Economist.

When I accepted this position, the President outlined three key goals for the Department of Agriculture. First, he is very concerned about the health and welfare of America's children and wants to make sure our children have access to nutritious food. Second, he wants to make sure we do everything we can to expand the capacity of our farms, ranches, and rural communities to produce alternative forms of energy. Third, he wants to make sure we aggressively pursue the research necessary to allow agriculture to transition away from its significant dependence on fossil fuels. Fulfilling these goals will be a great challenge, particularly in the context of meeting challenges in the Department's other responsibilities including food safety, conservation, trade, and administering the farm safety net. The current economic situation and difficulties of drought and other severe weather faced by large areas of farm country add another level of complexity to the work we have before us.

But, with these challenges come historic opportunities for agriculture and rural America. I look forward to working together with this subcommittee to fulfill the President's goals and our key responsibilities for the long term benefit of producers and all Americans. We intend to capitalize on these opportunities quickly through a much more effective effort to coordinate programs within the various parts of the Department and with other Federal, State, and local entities.

Over the first 100 days of this administration, USDA has set out on a new course to promote a sustainable, safe, sufficient and nutritious food supply, to ensure that America leads the global fight against climate change, and to revitalize rural communities by expanding economic opportunities. We have moved quickly to respond to these difficult economic times by creating jobs, increasing food aid to those in need, and revitalizing rural communities. We have also made civil rights a top priority with definitive action to improve the Department's record and move USDA to be a model employer and premier service provider.

I look forward to working with you, Mr. Chairman, and the members of this subcommittee as we continue our hard work to ensure that USDA is at the forefront of change.

IMPROVING FINANCIAL INTEGRITY

In order to improve financial integrity of the Department, I directed Subcabinet officials to review their agency's financial activities for wasteful and inefficient spending, and report on "savings" each week. This has been a productive effort, which has resulted in the implementation of more efficient procedures and cost avoidance measures. The Terminations, Reductions and Savings volume of the fiscal year 2010 budget identifies annual savings of $19.5 million from a sample of the actions USDA agencies have taken. In addition, we will achieve a cost avoidance of $62 million in lease costs over 15 years as a result of consolidating seven leased facilities located throughout the DC metropolitan area into one location.

As we move forward in implementing the President's agenda, we will continue to root out inefficient management practices and improve our use of funds.

RECOVERY ACT

Before I delve into the specifics of the 2010 budget, I would like to provide an update on our efforts to implement the American Recovery and Reinvestment Act (ARRA) of 2009.

USDA received $28 billion of ARRA funding. Of this amount, almost $20 billion, or approximately 70 percent, is for increasing the monthly amount of Supplemental Nutrition Assistance Program (SNAP) benefits currently assisting over 32 million low-income people and increasing the block grants to Puerto Rico and American Samoa.

The remaining funds are for: supporting nutrition assistance programs that primarily target low-income women, infants, and children; expanding opportunities for broadband service in rural areas; improving community facilities, such as firehouses, libraries, schools, and rural medical clinics; improving drinking water and wastewater treatment; increasing farm assistance; promoting rural economic development; and supporting conservation projects to protect our Nation's forests and farm land.

Since Enactment of the Recovery Act, we Have

—Worked with State partners to increase maximum SNAP benefits by 13.6 percent, which translates to an additional $80 each month for a family of four. We also allocated $100 million in emergency food assistance through TEFAP, and $25 million in administrative funds for the Nation's emergency food assistance network;
—Distributed all of the $173 million in Recovery Act funding for direct farm operating loans that has provided assistance to 2,636 farmers, of which approximately half were to beginning farmers and 22.8 percent were to socially disadvantaged farmers;
—Announced a national signup for up to $145 million in floodplain easements and extended the deadline to ensure landowners impacted by flooding in States like North Dakota and Minnesota are given an opportunity to apply. This will restore and protect an estimated 60,000 acres of flood-prone lands;
—Provided $45 million for the rehabilitation of watersheds, many of these projects are nearing the end of their 50-year design life. Recovery funds will be used to upgrade structures to current safety standards, thereby protecting life, property and infrastructure downstream for more than 90 years. USDA has also provided $85 million for 53 new flood prevention project efforts in 21 States and territories;
—Made available about $760 million in funding to provide safe drinking water and improved wastewater treatment systems for rural towns in 38 States. USDA also received $2.5 billion for expanding rural broadband into communities that otherwise might not have access. USDA has begun implementation in concert with the U.S. Department of Commerce and is determining the best targeted utilization of the funding. These efforts will create jobs and revitalize rural communities;
—Provided approximately $60 million in essential community facilities and emergency responder projects to help communities in 39 States; and
—Made approximately $4.4 billion in guaranteed and direct single family housing loans for over 37,000 loans.

I want to assure this subcommittee that the Subcabinet, agencies and the Department will be held accountable for not just swift implementation, but also for ensuring the funds are used efficiently and effectively. You should be confident that we are working hard to achieve the President's goals to revitalize the economy.

2010 Budget

The President's 2010 budget, released on May 7, 2009, proposes $21.3 billion for discretionary programs under the jurisdiction of this subcommittee, an increase of nearly $2 billion over the 2009 levels provided in the Omnibus Appropriations Act. This increase is primarily associated with the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), international food assistance, rural development and other priority programs.

The 2010 budget reflects the President's commitment to be transparent to the American people. Our budget accounts fully for the costs to operate the government. In addition, as I had mentioned, we have reviewed all of our operations for wasteful and inefficient spending. Therefore, the 2010 budget reflects a reduction of over $450 million for the elimination of earmarks and funding for programs that are not as high a priority as others, or programs that provide services that can be supported by other means.

I would now like to focus on some specific program highlights.

Nutrition

Consistent with the President's commitment to present an honest, transparent budget, we are including sufficient resources to support estimated participation in the nutrition assistance programs.

For WIC, the budget proposes $7.8 billion in budget authority to support an average monthly participation of 9.8 million in 2010. This is a total increase of over $900 million in USDA's largest discretionary program. The budget provides $225 million in WIC contingency funds, for a total contingency fund of $350 million with carryover from fiscal year 2009, should costs increase beyond current estimates. Addition-

ally, the budget includes $30 million to assist States in modernizing and upgrading their management information systems.

On the mandatory side, the budget includes over $1.8 billion in increases for Child Nutrition Programs, to support the increased level of school lunch participation and food cost inflation. School lunch participation is estimated to grow to about 32.1 million children each school day, with free meal participation increasing from about half of the total meals in fiscal year 2008 to almost 53 percent in fiscal year 2010. The budget includes $5 million for Hunger-Free Community Grants authorized by Section 4405 of the 2008 farm bill and $0.7 million to expand the HealthierUS School Challenge program. In addition, the administration is proposing an increase of $10 billion over 10 years for reauthorization of the Child Nutrition Programs. These increases will support the President's efforts to reduce childhood hunger and obesity by improving access to nutritious meals, to encourage children to make healthy food choices, and to enhance services for participants by improving program performance and integrity.

For the Supplemental Nutrition Assistance Program (SNAP), the budget includes $67 billion, including $5.9 billion in Recovery Act funds, to fully fund estimated monthly participation and provides $3 billion in contingency funds, for a total contingency fund of $6.0 billion with carryover from fiscal year 2009, should actual costs exceed the estimated level. Participation in SNAP is estimated to be about 32.6 million per month in 2009, and is projected to increase to 35.0 million in 2010. The Recovery Act benefit increase will remain in place until the normal cost of living adjustment catches up to the higher benefit levels.

The budget proposes discretionary funding for the Commodity Supplemental Food Program (CSFP) at a level needed to maintain the current participation and continues funding for The Emergency Food Assistance Program (TEFAP).

In order to improve the administration of nutrition programs, the budget includes increases in the Nutrition Programs Administration account to improve payment accuracy, advance the use of technology in benefit delivery, and enhance nutrition education.

In 2010, we look forward to issuing the revised Dietary Guidelines for Americans, which are the cornerstone of Federal nutrition policy and the foundation on which all Federal nutrition education, diet and physical activity guidance, and nutrition assistance programs are built. The process of establishing the Dietary Guidelines requires an investment in assessing the most current and credible scientific evidence on which to base them, a function that USDA created and employs through its Nutrition Evidence Analysis Library. USDA will be working to update the nutrition assistance programs to reflect the latest science found in the 2010 Dietary Guidelines. Further, the Department will build upon its enormous success in promoting healthy eating habits and active lifestyles with MyPyramid, including enhancements of the interactive and personalized tools, such as the recent MyPyramid for Pregnant and Breastfeeding Women, and MyPyramid for Preschoolers. MyPyramid is an important investment in the fight on obesity and much more needs to be done in this area, and to increase the level of physical activity that Americans engage in on a daily basis.

Food Safety

A key responsibility I have is to make sure Americans have safe and sufficient and nutritious food. Although we have a strong food safety system, we need to continue to work to do a better job. We must focus on eliminating hazards before they have an opportunity to make anyone sick, developing technologies that will help us discover risks and allocate resources to reduce this risk, and during outbreaks rapidly identify and respond to incidents of foodborne illness. I am committed to modernizing the food system, focusing on preventing rather than mitigating the consequences of food-borne illness.

For 2010, the budget requests over $1 billion for the Food Safety and Inspection Service. Not only will this funding will ensure that the demand for inspection is met as it provides for increased investments that will improve prevention, early detection, and mitigation that will reduce the adverse health impacts related to foodborne illness.

The budget includes an increase of $23 million to improve the food safety Public Health Infrastructure. These improvements will strengthen and secure FSIS' ability to target food safety inspections and investigate food safety outbreaks. In addition, the budget includes an increase of $4 million for additional food safety assessments. These assessments are conducted by a team of investigators with a broad array of skills necessary to conduct a comprehensive evaluation of an establishment's food safety control system and potential public health risks associated with meat, poultry, and egg products.

The budget estimates that $153 million in existing user fees for voluntary inspection will be collected. For 2010, we will submit legislation to Congress that would authorize the collection of fees to cover the cost of additional inspection activities necessary for establishments with performance failures such as retesting, recalls, or inspection activities linked to an outbreak.

As a member of the President's Food Safety Working Group, I look forward to working with Secretary Sebelius and others to develop a strategy that will achieve the President's goals to upgrade our food safety laws for the 21st century and ensure that we are not just designing laws that will keep the American people safe, but enforcing them. The working group will improve coordination between USDA and the Department of Health and Human Services and other Federal food safety agencies. These activities will strengthen our capacity to reduce foodborne illnesses and deaths resulting from foodborne illness.

Trade

USDA has an important role in expanding exports for our agricultural products. It is significant that, while the country as a whole has a trade deficit, agriculture has a trade surplus. USDA estimates that the trade surplus for agricultural products will be $13 billion in fiscal year 2009. To encourage further export expansion for our products, we need to work hard both in Washington and in our offices overseas to ensure continued access to overseas markets. I appreciate the subcommittee's support in providing additional resources in 2009. Our 2010 budget builds on this foundation with $16.4 million in additional funds to meet critical needs in the Foreign Agricultural Service. The budget places particular emphasis on maintaining FAS's overseas presence so that its representation and advocacy activities on behalf of U.S. agriculture can continue and on upgrading FAS' information technology infrastructure. These funds are critical to continue our efforts to break down trade barriers that limit our capacity to export, such as the imposition of sanitary and phytosanitary barriers that are not in accord with international standards or science-based. As world market conditions deteriorate under the current financial crisis, we must be especially vigilant to ensure that we keep markets open as we move forward.

Expanding our access to world markets and developing long-term trade relationships continue to be vital components of our strategy to improve the vitality of the farm sector and quality of life in rural areas. Due to the global credit crisis, we have seen a significant increase in demand for export credit guarantees provided through the GSM–102 program. To help meet this demand, the budget provides a program level of $5.5 billion for CCC export credit guarantees for 2009 and 2010. This is a noteworthy increase in programming from as recently as 2007, when the program registered sales of $1.4 billion.

International Food Assistance

An important focus of the Department's international work is providing foreign food assistance and promoting agricultural development overseas. The administration has established the goal of renewing the U.S. leadership role in global development and diplomacy, and fostering world food security. The international food aid programs, such as the McGovern-Dole International Food for Education and Child Nutrition and Public Law 480 Title II programs, contribute to that goal by addressing food insecurity throughout the world and supporting development, health, and nutrition.

In support of those objectives, the 2010 budget increases appropriated funding for the McGovern-Dole program to nearly $200 million, a doubling of the 2009 enacted level. We estimate the program will assist over 4.5 million women and children during 2010 at that funding level. This is a valuable program that promotes education, child development, and food security for some of the world's poorest children.

For the Public Law 480 Title II program, the budget provides a program level of nearly $1.7 billion, an increase of $464 million above the 2009 enacted level. The increase will reduce our reliance on the need for future emergency supplemental funding. Supplemental appropriations for the Title II program have been requested repeatedly in recent years in response to a substantial growth in emergency food assistance needs. In that regard, we appreciate the Committee's favorable action on the supplemental request submitted by the President on April 9.

Environmental Services Markets

The President has made clear his priorities in addressing climate change and expanding our capacity to produce renewable energy. These priorities create significant new opportunities for farmers and ranchers to succeed. The agriculture and forestry sectors hold the potential to deliver substantial emissions reductions, including carbon sequestration, under a national climate change policy and the establish-

ment of environmental services markets. The budget reflects the new course the administration has set to ensure that America leads the global fight against climate change, and to revitalize rural communities by expanding economic opportunities, while maintaining a sustainable, safe, sufficient and nutritious food supply. To create additional economic opportunities for America's farmers and ranchers, the administration is pursuing new initiatives that reward producers for sequestering carbon and limiting greenhouse gas emissions by providing mechanisms for producers to generate income through environmental services markets. By seizing the opportunities presented by environmental services markets, producers will be able to transition away from a dependence on traditional farm programs.

To this end, the budget includes an increase of $15.8 million to develop markets that reward producers for sequestering carbon and limiting greenhouse gas emissions. This includes $1.8 million to develop the metrics and certifications associated with the environmental services related to conservation and certain land management activities. We are also requesting an increase of $9 million to enhance the research and analytical capabilities of the Department related to global climate change and $5 million to conduct Government-wide coordination activities that will serve as the foundation for the establishment of markets for these ecosystem services.

We need to ensure that farmers and ranchers capitalize on emerging markets for clean renewable fuels and help America reduce its dependency on foreign oil by helping establish the demand necessary to support increased production of biofuels.

Renewable Energy

The 2008 farm bill provided significant mandatory funding to support the commercialization of renewable energy. The 2010 budget builds on this investment in renewable energy and biobased activities by requesting discretionary funding to support almost $780 million in investments, approximately a net increase of about $275 million from 2009. This includes increases of $218 million for loan guarantees and $32 million in grants to support renewable energy and energy efficiency projects under the Rural Energy for America Program (REAP). This request would more than double the amount of funding made available for REAP under the farm bill for 2010. In addition, the budget supports an increase of $49 million in loan guarantees for the Biorefinery Assistance Program.

The emphasis on renewable energy research will be on production of energy crops. The 2010 budget proposes an increase of $11 million for the development of new varieties and hybrids of feedstocks with traits for optimal production and conversion to biofuels. The funding will also be used to develop a new data series on the supply and location of commodity production for renewable fuels.

Rural Development

USDA's Rural Development (RD) programs provide essential support to rural America by providing financial assistance for broadband access, housing, water and waste disposal and other essential community facilities, electric and telecommunication facilities, and business and industry.

The 2010 budget includes funding to support over $21 billion for loans, loan guarantees, and grants for the Rural Development on-going discretionary programs, an increase of $825 million over 2009. This makes Rural Development one of the largest lenders in the country.

The budget will support over $7.3 billion in direct and guaranteed single family housing loans that will provide more than 59,000 rural homeownership opportunities. In addition, the budget includes $1.1 billion, an increase of $188 million over 2009, to provide for rental assistance payments for 248,000 low-income households that reside in USDA financed multi-family housing and receive such assistance. This is sufficient for the renewal of all expiring rental assistance payment contracts. Rental assistance payments protect the rents of low-income rural residents who live in USDA financed multi-family housing projects. By maintaining these payments, we not only provide support to recipients, but also provide financial stability for multi-family projects that provide affordable housing to 460,000 families who live in these projects.

The 2010 budget maintains significant support for infrastructure programs, such as the Water and Waste Disposal program and the Electric program. The budget funds approximately $1.6 billion in on-going direct loans and grants, an increase of $80 million over 2009, for essential water and waste disposal services. This program received an additional $3.7 billion under the Recovery Act and $300 million under the 2008 farm bill to reduce the backlog of applications. These investments will help bring increased economic benefits to rural America by providing needed water and waste disposal systems and by creating jobs. For the Electric program, the budget

provides $6.6 billion in funding for loans for the construction of electric distribution and transmission systems and to maintain existing generation facilities. This level of funding is sufficient to meet the expected demand for these loans.

Increasing access to broadband service is a critical factor in improving the quality of life in rural America and in providing the foundation needed for creating jobs. The 2010 budget includes funding to support $1.3 billion for telecommunications loans and grants, including broadband. This funding level, coupled with the additional funding provided for USDA's broadband programs in the Recovery Act, will significantly accelerate the deployment of broadband access in rural America. These investments will increase access to quality broadband service, which is essential to keeping pace in a world that relies on rapid telecommunications.

The 2010 budget also supports $546 million in direct loans, loan guarantees and grants for essential community facilities, such as health care and public safety facilities; as well as $993 million in business and industry loan guarantees and $34 million in zero-interest direct loans for intermediary relending.

To spur the development of small business and value-added agriculture in rural America, the 2010 budget provides a $63 million increase for rural small business development in the Rural Microentrepreneur Assistance Program (RMAP), which is in addition to the $4 million in mandatory funding provided by the 2008 farm bill. An increase of $18 million is requested for Value-Added Producer Grants and nearly an $8 million increase for Rural Cooperative Development Grants.

In keeping with the President's direction to eliminate spending that is no longer needed, the 2010 budget does not provide any funding for the EZ/EC grants for which the statutory authority expires, high energy cost grants which serve a narrow interest that can qualify for USDA assistance under several Rural Development programs, and grants for public broadcasting digital conversion, which is due to be completed in June 2009.

Diversity of Agricultural Production

Consistent with President Obama's desire to invest in the full diversity of agricultural production, the budget focuses greater attention on assisting the organic sector, providing greater assistance to producers of specialty crops, and supporting independent livestock producers.

The budget includes an additional $2.9 million, a 74-percent increase, in funding for the National Organic Program, which will support enhanced outreach and education and ensure program compliance to maintain labeling credibility.

The budget also includes additional funding for USDA to work with the fruit and vegetable industry to develop, establish, and operate Federal marketing agreements or orders that will involve quality factors affecting food safety for U.S. leafy greens or other fruits and vegetables.

In an era of market consolidation, the administration will support policies to ensure that family and independent farmers have access to markets, control over their production decisions, and transparency in prices. This includes implementation of farm bill-related regulations to enhance enforcement of the Packers and Stockyards Act, which prohibits unfair, deceptive, and fraudulent practices. For 2010, additional funding is included to strengthen enforcement of the Packers and Stockyards Act. Proper enforcement will ensure a level playing field that fosters fair competition, provides payment protection, and guards against deceptive and fraudulent trade practices in the livestock and meat sectors.

Research

USDA's science agencies have been successful in developing innovative research technologies and solutions to deal with the highest priority issues facing American agriculture. Today we are confronted with national and global challenges that will require both an educated workforce and pioneering scientific research to effectively address. The 2010 budget includes proposals to revitalize rural education and confront the challenges of global climate change, bioenergy production and childhood obesity.

Consistent with the President's pledge to make math and science education a national priority at all grade levels and revitalize rural economies, the 2010 budget for the National Institute of Food and Agriculture includes an increase of $70 million for research, education and extension activities. These funds will be used to provide incentives for educators in rural areas to enhance their teaching skills by establishing Rural America Teaching Fellowships, which will encourage qualified teachers to pursue professional development activities. The additional funding will allow secondary, 2-year postsecondary, and higher education institutions serving rural areas to update and revise their curricula and coordinate research and extension activities in the food and agricultural sciences. This initiative will also help

strengthen the teaching, research, and extension programs in the food and agricultural sciences at 1890 and 1994 Land Grant Colleges and Hispanic-Serving Institutions. Finally, a new competitive grant program, utilizing the existing infrastructure of 1862 and 1890 land-grant institutions, will be implemented to support rural entrepreneurship and sustain jobs in rural communities through training and the creation of web-based tools.

The budget for the Agricultural Research Service (ARS) includes $37 million in increases for high priority research in areas such as childhood obesity, bioenergy, world hunger, and global climate change. This includes an increase of $13 million for a major ARS initiative to develop effective sustainable practices to help reduce childhood obesity through preventative measures. As past attempts at treating obesity have proven unsuccessful, research will seek to determine the barriers to individuals in following the healthful eating and physical activity recommendations set forth in the Dietary Guidelines as well as study family centered interventions to determine their ability in preventing obesity in children. In conjunction with this effort, ARS will work to develop new healthier foods which increase satiety, decrease caloric density, and increase dietary fiber.

The 2010 budget for ARS also includes an increase of $11 million to conduct research on the development of new hybrids and varieties of bioenergy feedstocks that have the traits necessary for the optimal production and conversion to biofuels. ARS is uniquely suited to lead this research, because it maintains the National Plant Germplasm Collection, the world's largest seed collection, and administers important genetic improvement and breeding programs. Research will also focus on developing strategies and technologies that will result in the sustainable, efficient and economic production practices of energy from forestry and agricultural products in ways that maintain the quality of the natural resource base.

As I mentioned earlier, the budget supports research for global climate change aimed at developing mitigation and adaptation strategies through science. The budget proposes increases of $9 million within ARS to assess and manage the risks of global climate change to agricultural production and $1.8 million within the Economic Research Service budget to support research on the economics and policies for reducing greenhouse gas emissions.

For the National Agricultural Statistics Service (NASS), the budget includes an increase of $1.8 million to establish a data series on key elements of bioenergy production and utilization which will be instrumental in developing a renewable energy infrastructure. The budget also includes an increase of $5.75 million to restore the chemical use data series which will allow the collection of data on major row crops on an alternating year basis. This data series will enable USDA, EPA and others to respond adequately to questions about agricultural chemical use and its possible effects on the environment.

These program increases are offset by reductions in research and extension earmarks and lower priority projects that total about $260 million.

Farm Safety Net

The President's Budget includes proposals to improve fiscal responsibility, while supporting a robust safety net for producers that provide protection from market disruptions, weather disasters, and pests and diseases that threaten the viability of American agriculture. I want to reassure you that the President's Budget maintains the three-legged stool of farm payments, crop insurance, and disaster assistance. However, in keeping with the President's pledge to target farm payments to those who need them the most, the budget proposes a hard cap on all program payments of $250,000 and to reduce crop insurance subsidies to producers and companies in the delivery of crop insurance. Crop insurance costs have ballooned in recent years from $2.4 billion in 2001 to a projected $7 billion in 2009. The President's 2010 budget would rein in these costs by saving over $5.1 billion over the next 10 years. While the budget includes a proposal to phase out direct payments to the largest producers, the Department is prepared to work with Congress and stakeholders as these proposals are considered.

Farm Programs

To better respond to the Nation's economic troubles, USDA took swift action to implement the farm bill, and we will continue to move rapidly to implement the remaining portions of the farm bill. To that end, the 2010 budget requests an increase of $67.3 million to continue the Farm Service Agency's IT modernization effort and activities necessary to stabilize its legacy computing environment. This funding will supplement the $50 million provided in the Recovery Act for FSA's IT needs. The combined funds from the Recovery Act and the 2010 budget will allow us to continue to make progress in improving the delivery of farm program benefits, the secu-

rity of producer information, and the integrity of taxpayer dollars by reducing the potential for erroneous payments. However, additional funding will be required in subsequent years to complete the stabilization and modernization efforts.

Farm Credit

USDA's farm credit programs provide an important safety net for farmers by providing a source of credit when they are temporarily unable to obtain credit from commercial sources. ARRA provided substantial assistance to address the tightening of credit in rural areas as a ripple effect of the Nation's overall credit crisis. Because the demand for credit is still high, the 2010 budget requests funding to support $4.1 billion in direct and guaranteed farm loans, an increase of $0.7 billion over the 2009 on-going level.

Crop Insurance

For the Risk Management Agency (RMA), the budget requests $80 million, an increase of $3 million over 2009. RMA manages the Federal crop insurance program in partnership with private sector insurance companies. This partnership has been very successful in increasing participation; however, potential instances of fraud and abuse within the crop insurance program continue to be identified. The President's budget includes an increase of $1.8 million to provide RMA the resources necessary to address critical compliance needs identified by the Government Accountability Office, the Office of Inspector General, and others. This funding will help to improve the transparency of the crop insurance program and identify those producers, agents, and other program participants who would knowingly defraud the Government.

Conservation

The administration fully supports partnering with landowners to conserve land, protect wetlands, improve wildlife habitat, expand hunting and fishing opportunities, and promote other conservation initiatives. In this vein, the proposed budget includes several vital conservation programs, including the Conservation Reserve Program (CRP), Conservation Stewardship Program (CSP), the Environmental Quality Incentives Program (EQIP), and the Wetlands Reserve Program (WRP) that were authorized in the 2008 farm bill.

These programs provide a special opportunity to address not only the Nation's most serious natural resource needs but also to facilitate the administration's goals of increasing energy conservation, improving renewable energy production, and reducing carbon emissions. These programs have also been instrumental in establishing and maintaining USDA's unique partnership with land owners and operators that will be vital to our success in solving or mitigating these serious environmental and energy concerns through voluntary actions.

The 2010 budget reflects a continued commitment to conservation by including nearly $4.7 billion in mandatory funding for those conservation programs authorized in the 2008 farm bill. This will support cumulative enrollment of more than 281 million acres in these programs, a 10 percent increase over 2009. CRP, which accounts for more than 41 percent of total funding for conservation programs, is funded at just under $2 billion in 2010. This level of funding will support a cumulative enrollment level of 30.4 million acres. The budget proposes spending $1.2 billion for EQIP, which will support enrollment of an additional 16.8 million acres through cost-share contracts.

Further, the Conservation Stewardship Program (CSP) and the Wetlands Reserve Program (WRP) are funded in the 2010 budget. This includes $447 million for CSP that will be used to enroll 12.8 million additional acres, and $391 million for WRP to enroll a projected 152,600 acres. While the projected WRP enrollment in 2010 is slightly below the 2009 level, it is considerably higher than enrollment levels in recent years including more than double the level enrolled in 2008.

The 2010 budget also includes $907 million in discretionary funding for on-going conservation work that provides high quality technical assistance to farmers and ranchers and addresses the most serious natural resource concerns. This includes discretionary savings of $75 million from the elimination of duplicative programs and programs that are not as high a priority of other programs, including the Resource Conservation and Development Program and the Watershed and Flood Prevention Operations Program.

Civil Rights

Ensuring equitable treatment of all of our employees and clients is a top priority for me. The 2010 budget includes increased resources to improve our efforts to ensure that all USDA employees and constituents are treated fairly. For too long, the Department has been known for prejudice and discrimination in its employment

practices and program delivery. Such practices will not be tolerated while I am Secretary of Agriculture. By holding each USDA employee accountable for their actions and through the implementation of my recently announced civil rights plan, we will strive to make the Department a model agency for respecting civil rights. In support of these efforts, the 2010 budget includes funding to address program and employment complaints of discrimination and to increase the participation of small, beginning, and socially disadvantaged producers in USDA programs.

Outreach to Underserved Constituents

Another key initiative is expansion of outreach to underserved constituents. The 2010 budget includes funding to support establishment of the Office of Advocacy and Outreach authorized in the 2008 farm bill. This office will increase the accessibility of programs to socially disadvantaged producers, small-scale producers, and beginning farmers and ranchers and will provide them an avenue for input into the programmatic and policy decisions to improve their viability and profitability.

The budget also provides the funding necessary to support enhanced government-to-government relations and improve Tribal consultation and outreach activities related to USDA programs. This will enhance USDA's understanding of the diverse needs of Indian Tribes and the impacts of programs on Tribal organizations and communities.

Department Management

In addition, the budget also supports efforts to improve the management and oversight of Departmental programs. Increased funding is being sought for management priorities, including:

—Instituting a Department-wide cyber security initiative to eliminate critical vulnerabilities that threaten the integrity of the USDA network and the security and privacy of Departmental systems and information. The budget includes an increase of $45.8 million to ensure that USDA can reliably deliver its broad portfolio of programs in a secure IT environment.

—Providing oversight of program delivery by conducting audits and investigations and limiting fraud, waste, and abuse throughout USDA.

—To make USDA more open and its processes more transparent, the budget includes funding for enhanced communications capabilities; tools for improved public access to the appeals process; and additional oversight to improve USDA reporting to the public on programmatic spending.

Conclusion

We have begun the process of making tough decisions about where our priorities lie and have made some tough choices about where we spend our resources. These choices reflect the new direction the President wants to take the country at this historic time—a track that takes the Nation on the path to recovery and provides the foundation and diverse opportunities for farmers and ranchers to succeed.

That concludes my statement. I will be glad to answer questions you may have on our budget proposals.

Senator KOHL. Thank you, Mr. Secretary.

We will start our round of questioning with 5-minute events.

AMERICAN RECOVERY AND REINVESTMENT ACT FUNDS

Mr. Secretary, the Economic Recovery Act included substantial resources for USDA, including $11 billion for housing loans, $3 billion for business loans and grants, $3.75 billion for water and wastewater loans and grants, as well as other funds. We know this placed a huge burden on the Department to quickly identify and fund the good projects.

Do you foresee impediments to effectively utilizing all of the Recovery Act funds in a timely manner, and does this effort complicate the effective use of your annual appropriations?

Secretary VILSACK. Mr. Chairman, we appreciate the opportunity that the American Recovery and Reinvestment Act has given us to invest in appropriate investments across the wide spectrum that you have identified with your question.

Let me simply report to you and to the committee that we have been very aggressive in our efforts to implement the Recovery and Reinvestment Act. To date, USDA has provided 37,057 home loans, single family housing loans, which has allowed us to reduce a significant backlog. To date, with the recovery and reinvestment resources, we have provided 2,636 direct operating loans to farmers and ranchers in need.

At the same time, we have begun the implementation of the expanded Supplemental Nutrition Assistance Program benefits which has on average provided an additional $80 a month for a family of four. For the benefit of the committee, these resources are expended by those families, 97 percent of them, within 30 days, and the reality is that for every $5 we invest in that specific program, we get $9.20 of economic activity. It is, indeed, a direct stimulus.

We have provided over $615 million for safe drinking water and improved wastewater treatment facilities in rural communities in 34 States.

We have announced $357 million in funding for Forest Service projects.

We have fully obligated the $100 million that you all provided for the National School Lunch Program.

We have also obligated $100 million for The Emergency Food Assistance Program. I was recently in Kentucky at a food bank. I cannot tell you how appreciative the food banks of this country are for the commitment that you have made. In that one facility alone, an additional 172,000 meals will be served as a result of the commitments and resources they received, and I am pleased to say that many of those meals will be high-protein meals with pork and poultry being two particular commodities that they were able to purchase.

We have awarded $85 million—I think we have committed $145 million for available watershed operations projects. We have awarded $45 million for watershed rehabilitation programs to rehabilitate dams and critical public health and water quality issues.

And we have provided over $60 million in funding for community facilities in 39 States, including a number of fire, police, and medical vehicles.

So we have rapidly implemented, as best we can, a substantial portion of the recovery and reinvestment proceeds.

To your question in terms of its impact, this has, obviously, placed some stress on our staff, but I would suggest it has probably placed a greater stress on the staff of OMB, which sometimes makes it difficult for us working with those hard-working folks at OMB to get all of the rules and regulations out for the many programs that the USDA has responsibility for. I am sure we will touch on a few of those by the time the questions are finished today.

Senator KOHL. Very good.

Senator Brownback.

Senator BROWNBACK. Thank you, Chairman.

NATIONAL BIO AND AGRO-DEFENSE FACILITY

A couple questions in some broad areas. One, I want to start off with, though, narrowly is the NBAF facility was recently an-

nounced in Manhattan, Kansas, the National Bio and Agro-Defense Facility. The physical plant is owned by Homeland Security. It is operated by USDA.

Do you know USDA's plans to transition it from Plum Island, as far as when the actual personnel will be moved to expand this expanded mission at NBAF?

Secretary VILSACK. Senator, I am not sure that we have a specific time table for transition. We are aware of the fact that this is an important step for us to take in terms of our homeland security and biosecurity.

This new facility will provide us expanded space. It will also provide us BSL–4 capabilities which we currently do not have.

We are working with the Department of Homeland Security, and we have identified with the Department of Homeland Security a variety of research opportunities at that facility once it gets in place. We are concerned, obviously, as I am sure you are, about foot and mouth disease, classical swine fever, African swine fever, Rift Valley fever, and a variety of other diseases. We will be working very closely with Homeland Security to get this transition done as quickly as we can because it is an important facility.

Senator BROWNBACK. Good.

HUMANITARIAN FOOD AID DOLLARS

I want to show a quick chart we had done up on food aid. The big area that I have got concern with in food aid—I have worked in this region for some period of time, worked with a number of experts on it, a very important program that we have. I think it is a critical diplomatic program. I think it is a critical humanitarian program. I think it is critical for us in making our new efforts on HIV/AIDS in Africa and malaria work because if we are going to treat people and they have got a poor diet, they do not do very well. They need a good diet to go along with it.

The troubling aspect of this chart is that we have increased funding substantially over the past 8 years and our tonnage has gone down dramatically in that same period of time. We are at a point now where roughly 65 percent of our food aid dollars go for two areas, administration and transportation. I am hopeful we start looking at ways that we can get people well fed and try to get that piece of it in a more controlled fashion, if possible.

I do not know if you are aware of this. These are GAO studies. This chart is from the GAO. They are very engaged on this. I know the chairman cares deeply about food aid. It has got to be done right, but a 65 percent number just seems way high to me on those two areas.

Do you have any comments?

Secretary VILSACK. Several. First and foremost, we recognize the important role that food aid plays in terms of America's role internationally, which is one of the reasons why we have suggested and proposed, as you know, an increase in the McGovern-Dole program. That has been a very successful program.

Senator BROWNBACK. It has broad bipartisan support. People like that one. It is good.

Secretary VILSACK. Broad bipartisan support and for good reason. We can assist over 4 million children in 19 countries. In fact,

it has been so successful that some countries have actually taken that model and adopted it for themselves and have actually moved away from a reliance on our program.

As you well know, there are certain restrictions and limitations in terms of how resources that we do provide in food aid are transported to countries. I would say that we are focused on a——

Senator BROWNBACK. Can I get right at that? My time has run out. I am not going at that. That is an old fight around these places, and I do not think we ought to engage that fight. I just think we have got to somehow get our pencils sharper on the amount that we are going at the administration and transportation number. But to go at that fight, I have been around this one too long, and it will not get us anywhere.

Secretary VILSACK. Well, I am not disagreeing with you. I am just pointing out that that is one of the explanations for the chart that you have placed up there.

Let me suggest a different way, Senator, if I might.

Senator BROWNBACK. Please.

Secretary VILSACK. Let me suggest that one way that we could perhaps move this process forward is to focus on how we might be able to use not just the food resources of this country but the knowledge and the technical assistance that this country can provide. I think that there is enormous opportunity, as I mentioned earlier in my opening statement, in Afghanistan and Pakistan to model an effort on the part of America to empower people to be more self-sufficient.

One of the problems is that most of the world farms on relatively small farms, and most of what we do in this country and most of the research that we do is focused on larger farms. I believe that we can provide technical assistance. I believe that we can focus our efforts on 1 to 2 hectare-sized farms and create an even more effective international effort to supplement what we are currently providing in the way of emergency food.

In order for there to be food security, not only do folks have to be able to grow the food, not only do they have to be able to trade and have an economy that will allow them to trade, but there is, obviously, a role for emergency food assistance.

So it is all three of those aspects. If you focus simply on one or two of the three, then you are not going to make the food available. Even if it is available, you also have to focus on creating the infrastructure, the roads, the transportation systems that allow it to get to people. And even if it is accessible to people, you also have to make sure that there is adequate information about how to properly utilize food.

So all three of these components have to be part of what USDA does and what the United States does relative to food security. It is, in my view, not just one. I think you have to do all three, and I think you have to focus on all aspects of this.

Senator BROWNBACK. Thank you.

Senator KOHL. Thank you very much, Senator Brownback.

Senator Pryor.

Senator PRYOR. Thank you, Mr. Chairman.

DIRECT FARM PAYMENTS LIMITATION CAP

Let me start, if I may, with another issue. As Senator Brownback alluded to on his issue, you know, we fight this fight sometimes around here. But I do want to get your thoughts on it, and that is the administration's proposal to phase out direct payments to farms that, I guess, have sales revenues above $500,000. Could you talk a little bit about that please?

Secretary VILSACK. Senator, I think, first of all, I want to make it very clear that the administration, the President, myself, USDA understands and appreciates the important role that the safety net provides in rural America. That is the reason why we moved rapidly with the preceding administration and our administration to implement the farm bill rules as it relates to direct payments and counter-cyclical payments, why we have proposed the rules relating to ACRE and extended the sign-up for the ACRE program, and why we are currently working very hard and hopefully in the next 30 days to be able to put some of the livestock disaster payment rules out and to be in a position to have SURE, the disaster program, available in the fall.

It is also one of the reasons why we do support reform but understand the important role that crop insurance plays in creating that safety net. So there is a commitment to the safety net.

The proposal relates to a relatively small percent, 3 percent, of the farmers who essentially receive 30 percent of the benefits. There may be and there probably are better ways to do this, Senator, and we are happy to work with you.

We were challenged to focus on the priorities of increasing funding for child nutrition so we could end childhood hunger in this country and address the obesity issue at the same time. We were compelled, and I think appropriately so, to also take a look at the bottom line. We tried to respond to the priorities, made a proposal, but are certainly willing to work with you. If there is a better way to do this, we are certainly open to it.

Senator PRYOR. Well, I look forward to that. I think one of the things we should look at is the cost involved in producing the product and getting it out to the market because that varies widely depending on the product you are growing and also what region of the country you happen to be farming in. So I look forward to working with you on that. If we can do that fairly soon, that would be great.

POULTRY IMPORTS FROM CHINA

My second question deals with trade, specifically trade with China and even more specifically with poultry. There is an amendment that was attached to the fiscal year omnibus appropriation bill section 727. Are you familiar with that?

Secretary VILSACK. Yes, sir.

Senator PRYOR. What is your opinion on section 727? And I guess more specifically, it seems to me that—well, anyway, I would like to hear your opinion on that.

Secretary VILSACK. Well, I think it is fair to say that the opinion of USDA is that we are, obviously, very interested in a science-based and rule-based trading system. That is one of the reasons

why we have expressed concern recently on the H1N1 circumstance and some of the decisions that countries have made to ban pork products.

Having said that, we understand and appreciate the importance of concerns that are expressed in Congress and throughout the country about food safety relative to imported food. So what we are doing now is we are working with Members of Congress and a number of other folks to try to figure out precisely what the concerns are and see ways in which USDA can specifically respond to those concerns as quickly as possible so that whatever barriers exist can be removed and we can open up as much trade in all products as quickly as we possibly can.

The commitment to you and to this Congress and to this committee is to work as quickly as we can to figure out precisely what we can do better than we are currently doing, and I think, hopefully, we will, within the next several months, have a better, clearer understanding of precisely what we can do better. Once we know that, we are committed to making that happen.

Senator PRYOR. Great. That is music to my ears. I would love to be part of those discussions with you and try to figure out how we can proceed from here. My impression of section 727 is it ends up hurting American agriculture, specifically the poultry part of that. But we can talk about that more offline and have more discussions.

RESEARCH FUNDING AT LAND GRANT UNIVERSITIES

The last question I have for you is about the traditional land grant colleges and the research that is being done there. I believe it was Senator Brownback—I am sorry—Senator Bond—one of those two referred to that. Could you tell us about the funding there? There is a core element of that research. Then there are a lot of other things that get done. Could you tell us about your vision for how we should prioritize those research dollars?

Secretary VILSACK. Thank you for that question. And I certainly appreciated Senator Bond's comments, and I understand his concerns.

Let me simply say, alluding to the fact that we had a relatively short period of time to put this budget together, that I did not feel comfortable knowing fully and completely all aspects of the Department's activities. So what I decided to do was in hiring the Under Secretary for Research, Education, and Economics to challenge and to charge Dr. Shah, recently confirmed by the Senate, to take a look at all of our research activities to make sure that we properly prioritize, we properly fund, we properly understand the intersection of those research opportunities at USDA and at the land grant universities and the private sector so that we can make sure that we are spending and investing our resources as wisely as possible. Only then would I feel comfortable in terms of committing to a budget of additional resources or different resources directed in a different way.

I understand the importance of research. I clearly understand the importance of land grant universities. I worked at one before I came here. I worked on the Seed Center at Iowa State University, and I understand precisely the work that it does and that land grant universities throughout the country do.

I will tell you that in discussions with the Afghan and Pakistani minister, the one topic that came up repeatedly was the Extension Service, the important role that extension plays. They would like to be able to replicate that in their countries.

So I do understand it. I would just like to have the opportunity to better understand the details and the specifics and to be able to prioritize appropriately so that I could then be able to justify precisely what we are doing and why we are doing it.

Senator PRYOR. Thank you.

Thank you, Mr. Chairman.

Senator KOHL. Thank you very much, Senator Pryor.

Senator Cochran.

2008 FARM BILL PROVISIONS

Senator COCHRAN. Mr. Chairman, thank you. I find myself in agreement with the distinguished Senator from Arkansas about the possible implications with changes in the farm bill or administration actions with respect to implementing the farm bill that might make it more and more difficult for southern agriculture producers along the Mississippi River where traditionally the crops have been cotton and rice and, to some extent, soybeans and others, that they will likely suffer more than any other segment of agriculture if this administration's proposals are actually codified by the Congress.

So I just mention that. You know it already, but it is a serious concern. It could likely lead to support for cap and trade legislation. I never have understood exactly why we have that language to describe that legislation, but it is going to reduce prices paid to farmers. It is likely to increase input costs as well. I do not know who benefits from that except those who want major changes made in the farm bill.

We spent a year in hearings and working to try to develop a consensus for writing a new farm bill, and now to have this administration come in and immediately start attacking major provisions that were the objects of a lot of debate and a lot of difficulties in getting included in the bill set aside, I am concerned about that.

I hope that we will support the administration's efforts in developing more aggressive trade policies. We think that is a very important step in the right direction, and we encourage you to use the tools that Congress has placed in the farm bills in the past that have worked, and we hope you can be successful in increasing our share of world markets with the use of those provisions.

DIRECT FARM PAYMENTS LIMITATION CAP

Let me ask you if you could give us an update on the Department's farm bill implementation activities with respect to payment limitations.

Secretary VILSACK. Senator, the direct payment and counter-cyclical rules are out. The ACRE rules are out. The time period for sign-up is extended to August 14 to give folks the capacity to determine what is in their best interest. So those rules are out, and we are waiting for farmers across the country to make decisions which are important to their operations. Once those decisions are made, we will certainly honor them.

We are also in the process, this month, of working diligently with OMB to try to complete work on a number of the disaster provisions, particularly as it relates to livestock. We know the circumstances particularly in the upper Midwest and other parts of the country with reference to livestock and storms and the impact of floods. So we are working very hard to get those rules out so people understand how they can sign up.

SUPPLEMENTAL REVENUE ASSISTANCE PROGRAM

We also appreciate the SURE program, which was part of the 2008 farm bill, a new disaster program. It is a complex program to develop, made more so by the changes that were made to it as a result of the American Recovery and Reinvestment Act. It is also highly tied to the technology challenges that we have within the USDA. Operating with very antiquated technology and software, it sometimes becomes very cumbersome and time-consuming to write the software to implement these programs. But we believe we are on track to have SURE rules out, at least in some form, in the fall. Then we will have to collect data concerning losses and hopefully we will be in a position to respond with payments in the following year.

Senator COCHRAN. Thank you very much.

Senator KOHL. Thank you, Senator Cochran.

Senator Johnson.

NATIONAL ANIMAL IDENTIFICATION SYSTEM

Senator JOHNSON. Thank you, Secretary Vilsack, for conducting an animal ID listening session in South Dakota. Are there any parts of the current plan you are absolutely committed to moving forward?

Secretary VILSACK. Senator, this is, among many issues, a very contentious and difficult one. It not only creates different attitudes in different parts of the country, it creates different attitudes within the livestock family generally, poultry and pork having different views about it than cattle, and within the cattle industry, different views depending upon whether you graze on public lands or private lands or a combination.

We have not completed the listening sessions, and so the candid answer to your question is I have not made any specific decisions relative to the program and improvements to the program because I want to give everyone an opportunity to have input.

I will say that the reason why we are doing these listening sessions is because there has been concern expressed by some Members of Congress about whether or not the investment that is being made today by the Federal Government, now in excess of $130 million, is money well spent. That concerns me from a market standpoint. A recent study suggested that one incident could cause the livestock industry as much as $13 billion in losses. We know one head of cattle coming across the border from Canada caused us significant problems in our cattle which we still yet have to recover from in terms of our trading partners, and we also know that our trading partners are looking very closely at the safety and security systems that we have.

There have been a number of concerns that have been raised, which I am sensitive to. One is the cost. Two is the technology, whether or not the Government is going to address a specific technology or a range of technologies that could be used. Three, obviously, whether it is voluntary or mandatory. Four, who bears the cost? There is a significant difference between cattle, pork, and poultry in terms of the overall cost to the industry. And there are deep concerns about who gets the information, who uses it, how is it accessed, and whether the public through the media would have the capacity through the Freedom of Information Act to access information. All of those issues and I suspect a whole lot more have been identified, as we look for improvements, we are going to have to think creatively and innovatively about.

Senator JOHNSON. Could you provide me with a timeline on all this to take place and when your decisions will be made?

Secretary VILSACK. Well, we expect and anticipate that it will take another month to two to complete the listening sessions, and then, hopefully, not very long after that, we would be in a position to make some recommendations and suggestions to see what reaction we get.

The one thing I do not want to have happen is I do not want this Congress to lose confidence in the system, not provide funding, and then send I think what would be a very poor message to our trading partners and would, I think, negatively potentially affect our trading opportunities.

COUNTRY OF ORIGIN LABELING

Senator JOHNSON. Given your excellent dedication to the COOL program, how have you been working with the USTR to ensure COOL is implemented properly?

Secretary VILSACK. We have had very good conversations with Ambassador Kirk and his staff. We have had two face-to-face meetings between USDA staff and the Trade Representative's staff. I appreciate the working relationship that we have developed. Ambassador Kirk and I were friends before we had this opportunity in the administration, and we have built on that friendship.

We continue to provide information and resources concerning COOL to the Trade Representative so that there is a clear understanding and appreciation that we are committed to COOL. We are committed to following the intent of Congress, as you all have outlined it, that we do not think that what we have proposed or suggested or that what you all have passed is necessarily trade-distorting. We think it is within the guidelines provided by the WTO. We know that our trading partners may have disagreements about that.

Just one observation. A recent report suggested that livestock activities in Canada have been a bit more robust than they have been in this country, which would suggest that perhaps COOL is not having the impact or effect that some might believe.

We will continue to work with USTR, continue to work with our Canadian and Mexican friends to make sure that they fully understand what this is and more importantly what it is not.

DIRECT FARM PAYMENTS LIMITATION CAP

Senator JOHNSON. I have been an enthusiastic supporter of a cap on $250,000 for a payment limitations cap. But I am concerned about the $500,000 gross sales limit approach for direct payments also included in the budget. I want to point out that I am in favor of the $250,000 cap, unlike some of my colleagues, but I am opposed to the sales revenue cap because it is a gross number and not net.

Secretary VILSACK. Well, Senator, in one respect I guess the USDA can be congratulated for developing such a strong bipartisan reaction to this idea. When I was Governor of Iowa, I often said that I would propose but the legislature would perfect, and I suspect that that strategy is in play here.

Senator JOHNSON. Where do you propose to have an offset for the change if we make it?

Secretary VILSACK. Well, Senator, we are pledged to working with you, with this committee, and with your counterparts in the House to make sure that this budget squares itself. We are committed to working with you. We were sure of one thing when we proposed this budget that you all would not just say, well, this is great, all in favor, say aye. You would have a lot to say about this budget. We are committed to working with you.

I think it is important for me to reemphasize the priorities that the President has and that I share. We think it is important for a multitude of reasons that we address aggressively child nutrition. We think it is important for a variety of reasons, not to mention national security and economic security, that we continue to invest in bioenergy and rural development. And we do believe that there are ways in which we can have a strong, adequate safety net, as perhaps you have suggested with the cap, that do not necessarily make it more difficult for people to survive. And we are committed to that set of priorities.

Senator JOHNSON. Thank you, Mr. Secretary.

Senator KOHL. Thank you very much, Senator Johnson.

Senator Bond.

Senator BOND. Thank you, Mr. Chairman.

Mr. Secretary, being a fellow former Governor, we have had a lot of experience on the legislative branch disposing of what we have proposed.

I appreciate your answers to my colleague from Arkansas on research. We want to work with you on that.

When you were speaking about Afghanistan, agriculture there, we have talked about the National Guard ag development teams, and we want to work it to the point where USDA is participating as security advances on that area because there is a tremendous opportunity.

CHILDHOOD OBESITY

I want to move into another area. In one of the answers to one of the questions, you mentioned the priority of dealing with obesity, and you also testified initially about serving very nutritious food. As you know, the SNAP program is getting a $7.3 billion increase to over $61 billion, and we are all aware that this extra investment

in taxpayer money can legally be used to buy sugar-sweetened drinks and empty-calorie food.

Now, I am concerned. Are we doing well by taxpayers but, most importantly, by the recipients of assistance and their families when we subsidize poor and unhealthy diets? It seems to me that there is an opportunity with the electronic benefits card and point-of-sale displays or information to make sure that more of the assistance that is received is used in the healthy pyramid food type purchases. What are your views on that?

Secretary VILSACK. Well, Senator, first of all, I want to acknowledge that you feel very strongly about this, and I appreciate the passion that you have about this. We have talked about it in your office and I know that you are committed to it.

Let me, first and foremost, say that food is an extraordinarily complicated set of issues. Until I got this job, I did not realize that there were over 300,000 food products sold in grocery stores around this country, and that over 12,000 new products were introduced in the last 10 or 15 years.

We have made a concerted effort to, one, work diligently to try to improve the food pyramid so that it reflects modern science; two, that we do a much better job of promoting through educational tools the need for more nutritious food. We have begun a process of working particularly focusing on young children and young families to assure that moms and dads are aware of the important responsibility they have in making choices for their children. We are committed to working with our schools to make sure that not only are the school lunches and school breakfasts more nutritious, but what is in our vending machines at schools reflects that same attitude. So we think we are aggressively pursuing an education effort, and we think that over time it will make a difference.

Senator BOND. But you are not willing to go down the road with me and cause a little bit of firestorm. I understand that.

AGROFORESTRY RESEARCH

In the time I have remaining, we have had an opportunity to discuss agroforestry which is done—I am sorry my colleague from Arkansas has left. The University of Missouri School of Agroforestry works with the Booneville Agroforestry. It is a regional approach to assisting agriculture and particularly small farmers in using plants and trees for environmental benefits, providing better income. We are developing new crops like, I might just mention, chestnuts for example, as a second source of income. I had a minimum amount of happiness when I understand that the money for Booneville had been proposed for rescission. I hope that you all will consider that.

But most importantly, I hope that we will have an opportunity to work with you and your staff with people who are interested here in Washington about the opportunities we have to do so many of the things you are talking about through agroforestry research.

Secretary VILSACK. Senator, we are excited about the opportunities that forests present. As I explained earlier in my opening statement, we see a new opportunity for us to link our forests with our private working lands with our urban centers so that there is

a full appreciation across the country of what trees and forests mean.

I know that there are concerns about specific proposals relative to things that you all designate and specify. Again, I think it is a reflection of the budget process. We will certainly work with folks, but please do not take from whatever we propose the belief that we do not understand and appreciate the importance of forests because we do. We are very excited about what we see as a new day for the U.S. Forest Service and NRCS and linking those two important components of USDA to all of America.

Senator BOND. Well, I thank you for that. We will look forward to working with you. I also appreciate your work and the discussions we have had on biotechnology, a complicated area. We will discuss that later.

Thank you, Mr. Chairman, and Mr. Secretary, thank you. We have got a lot of exciting and interesting things to work on.

Senator KOHL. Thank you very much, Senator Bond.

Senator Nelson.

Senator NELSON. Thank you very much, Mr. Chairman. Thank you for holding this hearing.

RECOVERY ACT BROADBAND PROGRAM

Mr. Secretary, welcome. Let me first say as both former Governors from rural States, neighboring States, we learned about the importance of communication extending out to the rural areas into farmsteads and to small schools, as well as to the major metropolitan areas.

As we set forth in the stimulus package for broadband deployment, it is my understanding that there may have been some slowdown, not necessarily intentionally, but as a result of trying to establish rules to move forward with the distribution of money to expand that broadband deployment. Knowing that the construction season is a little bit earlier for our States than it may be for some of the other States that do not enjoy the cold weather, is there anything that can be done to move the development of some of those rules along maybe a little bit more quickly?

Secretary VILSACK. Senator, we have been working very closely with Secretary Locke and his team at Commerce. We are confident that by the end of this month we will have an outline of rules and regulations relative to how folks might be able to qualify for the grants and loans under the broadband program that you all have put into the Recovery and Reinvestment Act, and we anticipate that the first set of resources will go out in probably one of three different deliveries in the fall of this year. So we are aggressively working to get that done. We appreciate the importance of distance learning, of telemedicine.

But I would also suggest to you that it is an extremely important strategy for rural development in terms of economic development. Small businesses currently that have a unique service or product are able to perhaps sell locally, but with broadband, they may be able to expand their market globally. This is part of the wealth creation strategy that we are trying to implement at USDA. So we are very cognizant. We are moving forward.

And I would say we are also moving in a streamlined way. We will not have separate applications. We will have a single application, single process. We will make it as easy as possible for folks to apply for these resources.

Senator NELSON. That is very encouraging because I was concerned where you have a couple of agencies trying to work together, that there might be some bifurcation as opposed to unification of the process. So that is extremely encouraging.

DIRECT FARM PAYMENTS LIMITATION CAP

The discussion earlier from my colleague from Arkansas, Senator Pryor, regarding the payment limitations issue—I am concerned that what has been proposed by the administration on two occasions, the $500,000 direct payment limitation is not appropriate. I look forward to being able to work with you to design something more in line with what Senator Johnson and Senator Grassley and others have done in the past to try to limit the direct payments to large farm and ranching operations that just simply do not require the same kind of assistance from time to time or the same kind of a safety net that you would expect for smaller farms to be able to protect and keep agriculture from becoming all mega-farms. So I hope that we can look forward to working together on that.

Secretary VILSACK. You have my commitment to do that, Senator.

NATIONAL DROUGHT MITIGATION CENTER

Senator NELSON. The final question I have deals with water. The University of Nebraska in Lincoln has been established as the base for watching water management but also in predicting drought. The National Drought Mitigation Center provides a lot of background and data on drought, including what is now referred to as and cited as the drought monitor. One of the reasons that we focused on that and perhaps one of the reasons why it is housed in Nebraska is that now, according to the Ag Census of 2007 by your agency, Nebraska is the number one irrigating State based on acreage.

What we have determined is that you cannot, obviously, prevent drought. You cannot necessarily always predict drought. But the more data that you have on drought, the better you are able to predict and prevent against some of the most adverse consequences of drought, in other words, changing the mix of crops that are used or changing the approach to agriculture during a period of dryness.

I hope that the USDA sees this as a valuable tool for agriculture in those areas that are most directly affected by continuing dry periods. The old saying I think is true. When you are in the middle of a drought and it rains, the question is whether that is the end of the drought or the beginning of the next drought. So I am hopeful that there will be a lot of support for the efforts in the National Drought Mitigation Center.

Secretary VILSACK. Well, Senator, thank you for those comments. We are acutely aware of the growing concern about water generally and see that there are a number of different strategies that we need to focus on in addition to those that you have identified.

Just yesterday I had the opportunity to visit with the CEO of a seed company. They are, obviously, working very diligently on seed technology that might result in drought-resistant crops. That would certainly be helpful.

Interestingly enough, I would expect that we will learn, even more than we already know, about these issues in terms of our work overseas. In meeting with the Afghan and Pakistani ag ministers, one of the big concerns they have is water and proper irrigation techniques. So I think there are a wide variety of ways in which we need to address this holistically and comprehensively.

Senator NELSON. Thank you.

Thank you, Mr. Chairman.

Senator KOHL. Thank you so much, Senator Nelson.

Senator Bennett.

Senator BENNETT. Thank you, Mr. Chairman.

Mr. Secretary, welcome and thank you for your service, your willingness to put up with all of this, having been in charge for a while. Now you are discovering that nobody is in charge.

Secretary VILSACK. I thought you were, Senator.

Senator BENNETT. Sometimes we think we are.

RECOVERY ACT BROADBAND PROGRAM

Senator Nelson has covered most of the items that I wanted to cover with respect to broadband, and I am delighted that you are as committed as you are to pushing this forward. Let us just drill a little deeper into your methodology of trying to get the money out to the rural areas.

I understand that you are hiring 40 new people with respect to the expanded RUS program. Is this to replace a contractor? Is this in addition to the contractor? Will this help get money out faster? Just share with us the particulars of how that is all going to work.

Secretary VILSACK. Senator, as you know, USDA has been criticized in the past for the way in which it has handled some of these resources in rural communities. We are sensitive to those criticisms and want to respond to those criticisms and want to make sure when you all invest in us one more opportunity to promote broadband access in unserved rural areas that we actually deliver. So this is a decision on our part to try to make sure that we have sufficient outreach and sufficient information and sufficient evaluation to actually get the job done properly.

I would also say that you have given us parameters, suggesting that at least 75 percent of what we have available from the Recovery and Reinvestment Act needs to be focused on these unserved rural areas.

Senator BENNETT. Right.

Secretary VILSACK. And that is the intent. I come from a State, when I was Governor, where we made a really concerted effort to advance this technology without identifying which specific technology we would use. There are many options and it depends on what part of the country you are in. It depends on what has already been done. It depends on whether or not you are talking about funding the last mile, the middle mile, precisely what you are going to do. I think what you will see from us is a comprehensive approach. In some parts of the country, a middle mile is more

important for us to finance than the last mile. In some parts of the country, it may be that the last mile is most important. It may be that we work with private contractors. It may be that we work with cities and communities. It may be that we are working with an individual locality or a group of localities.

So there is no one-size-fits-all, and so you really have to have a lot of people working diligently to make sure that you are making the right set of decisions. We are going to work very hard to make that happen. We do not want to be subject to the same criticisms, appropriately so, that we have been in the past.

Senator BENNETT. Thank you.

COUNTRY OF ORIGIN LABELING

Let me switch to another issue that was raised by Senator Johnson, and that is COOL. I do not know of any one issue that has been more contentious in this subcommittee over the years than COOL. All right, you are moving forward. You are complying, et cetera. Do you have any ideas—or any data is a better way of putting it—as to whether or not the consumer is paying any attention? Is it really making any difference in the supermarket?

Secretary VILSACK. Senator, I do not know that we have specific data that I would be comfortable suggesting a specific response to your question. I do know that we are monitoring. We will probably likely monitor during the fiscal year approximately 5,000 locations to make a determination of compliance.

From a general proposition—this is not data-driven, but from a general proposition I think there is a growing appreciation in this country for wanting to know your farmer, wanting to know where your food is coming from, wanting to know more about your food. I think we are going to continue to see more of that. Especially as we focus on nutrition, especially as there is a health care debate in this country and prevention and wellness become critical components of that, I think you are going to see a rising awareness.

Senator BENNETT. I agree, but I do not think personally that location is going to make any difference to a customer as to what he or she will buy in the supermarket.

Secretary VILSACK. My only caveat to what would normally, I think, be an accurate observation on your part, I think price is obviously pretty significant.

Senator BENNETT. Yes.

Secretary VILSACK. We had a program called Taste of Iowa when I was Governor, and people kind of liked the idea of purchasing food that was produced in Iowa. I will tell you I found it interesting that Lay's potato chips has decided to specifically identify the State in which the potato is coming from so that you can actually buy Georgia Lay's potato chips if you are of a mind to buy Georgia Lay's potato chips or Idaho. So they are giving consumer choice. They must be doing it because their marketing advice——

Senator BENNETT. That I agree with. I have always been in favor of voluntary COOL. It is the required Federal label that I have always doubted. If I can just share this with you, the one experience we have had before in this country has been the drive by the United Auto Workers to make sure that North American content would be listed on every car, and there was a great fight about that

in the Congress for a long time. Finally, the union won, and then a few years later, people went back and started asking customers if they paid any attention to it. The vast majority of customers said, no, we didn't notice. But there was a small group who said, yes, we read the label very carefully, and if there is a high Japanese or German content, we are more likely to buy the car. So that did not necessarily work in the way that the sponsors of the legislation had in mind.

Thank you, Mr. Chairman.

Senator KOHL. Thank you, Senator Bennett.

Senator Reed.

Senator REED. Thank you very much, Mr. Chairman.

RECOVERY ACT WATERSHED PROJECTS IN RHODE ISLAND

Mr. Secretary, thank you not only for being here, but this week you approved a commitment under the Recovery Act for four flood plain projects in Rhode Island, and we really appreciate it. It will not only get people to work, but it is critical to the homes along the Pawcatuck River, part of this watershed. At this moment, the Natural Resources Conservation Service is completing their overall watershed plan, and it should be before you very quickly. I would ask for your expeditious and, in the same spirit that you used this week, approval of the plan. Thank you very much.

Secretary VILSACK. Yes, Senator.

Senator REED. It is more of a thank you than anything else.

Secretary VILSACK. I made a note of that.

Senator REED. If it's the first one today, then——

Secretary VILSACK. I am sure it is not. It better not be.

Senator REED. It better not be.

WILDLIFE HABITAT INCENTIVES PROGRAM

There is one program that has been very useful to my State. It is the Wildlife Habitat Incentives Program, the WHIP program, and it has been significantly reduced in the budget. It is about a 50 percent cut. I recognize you have to make very difficult decisions.

But the other aspect of this is that through changes in the last agricultural bill and through limited funding, it has posed real practical problems to use in Rhode Island. We have been very successful in removing old dams that are part of our industrial history. The whole Industrial Revolution began up in Rhode Island with the Slater Mill. But taking those dams out allows the fish to begin to propagate again. We have done it generally through partnerships with the State and not-for-profits. Also, it has been made possible because the NRCS has been able to put up-front cost in place.

The changes in the legislation, the cap on annual contract payments, that limit their ability to put money up front and also restricting sort of who can participate with them is a problem. I understand this is an issue that is both an authorization and appropriations issue. But I wondered if you could give some thought to ways in which other programs might be available, other methods might be used to continue to help us in Rhode Island to restore these riverways and restore fish to the riverways.

Secretary VILSACK. Senator, that is a challenge that we will take up. If I might, I think it is necessary for me to respond to where we are headed in terms of conservation.

The overall budget relative to conservation, at least from our perspective, will result in a total of $4.7 billion being committed in a variety of programs, both in technical and financial assistance. This is a $374 million increase over the 2009 level and a $744 million increase over 2008.

What we attempted to do—and we have asked, I guess, some understanding on the part of this committee and the Congress—was to try to match up as best we could the resources in individual programs with what we see as the historical need and desire for those programs, together with the fact that with the new program, the Conservation Stewardship Program, we have some things to learn about how best to implement, how complicated or easy it will become. So we made our best-guess estimate on a relatively short time frame about how best to do this.

But there is no question there is a commitment to private working lands. There is no question there is a commitment to trying to figure out how to help landowners, property owners protect their land. There is no question that we understand the significant role that these programs can play in providing that protection, and we are committed to it. As I said earlier, what we hope to be able to do is to integrate it with what we are doing with the Forest Service in other parts of the country to preserve water, both quality and quantity of water. So we are committed.

Let me also say that I have not had an opportunity yet to institute this, but we have just begun starting a process of taking a look at how we make decisions and whether or not there are ways in which we can streamline, reduce the steps necessary in making decisions without reducing the appropriateness or the correctness of the decision we make. I cannot tell you that that is going to be done tomorrow, but I can tell you that it will be done, and hopefully some of these programs will be easier to administer and easier to understand than they have been.

Senator REED. Well, thank you, Mr. Secretary. Just a quick point. You have a national mandate, and some of these programs are particularly useful in some parts of the country and we found this with the WHIP program because we are trying to really reverse hundreds of years of industrial use along our rivers, and that is not the same challenge in many parts of the country. So any help you could give along these lines, we would appreciate. Thank you, Mr. Secretary.

Thank you, Mr. Chairman.

Senator KOHL. Thank you, Senator Reed.

Senator Harkin.

Senator HARKIN. Mr. Chairman, thank you very much and, Ranking Member Brownback, thank you for your great stewardship of this committee and also for having this hearing today.

I am sorry I am late, Mr. Secretary, but I was chairing a hearing on the authorizing committee on derivatives. And we had Mr. Gensler, the new head of the Commodity Futures Trading Commission, and it went on for a long time. So I apologize for being a little bit late.

STATEMENT OF SENATOR TOM HARKIN

Mr. Chairman I hope, that you and other members of the committee are now getting to know the Tom Vilsack that those of us in Iowa have known for a long time, a very dynamic, smart, and progressive leader who is not afraid of change. As government and a State Senator he has shown that he has the requisite managerial expertise to guide and direct change for very positive ends and I am certain he will continue that as secretary of agriculture.

Three areas in which I note that you have been such a great leader on just since you have taken over down there, Mr. Secretary, are your great leadership, on renewable energy, which trails what you did as Governor of Iowa; your leadership, of course, on nutrition and looking ahead on that. We have to reauthorize our child nutrition bill this year, and we look for your and Deputy Secretary Merrigan's help and input on getting that through.

I do want to commend you and the President for putting that extra billion dollars a year in the President's budget request for child nutrition programs. This funding is vitally important. It is my belief that we need to get better food for our kids in schools, such as fresh fruits and vegetables, and meats. Well, those may cost a little more money, but if we really want our kids to eat well, we are going to have to provide the needed funding. So I am really glad that you have put in your budget an extra billion dollars a year for child nutrition programs.

Secretary Vilsack, I would also like to mention your leadership in conservation and I civil rights since being confirmed you have taken the bull by the horns on civil rights, and I congratulate you for that and ask that you do not let up in addressing civil rights concerns at the department.

PREPARED STATEMENT

I want to thank you and Deputy Secretary Merrigan both for your great leadership at the Department.

Mr. Chairman, I ask that my full statement be made a part of the record.

Senator KOHL. We will do that.

[The statement follows:]

PREPARED STATEMENT OF SENATOR TOM HARKIN

Thank you, Chairman Kohl and Ranking Member Brownback, for holding this timely hearing on the President's fiscal year 2010 budget proposal for the U.S Department of Agriculture.

I welcome Secretary Vilsack back to the subcommittee. I have always known that he is deeply committed to farm families, rural economic development, and strong Federal nutrition programs. But, in his first months in office, he has really been a breath of fresh air here in Washington. Secretary Vilsack has charted an ambitious, reform agenda for the Department. And I look forward to continuing to support him in every way I can.

As we all know, our economy continues to face extraordinary challenges. The downturn has taken its toll on farm country, and it is also placing an enormous strain on our Federal nutrition programs. But farmers and ranchers are a great strength of this economy. And I am confident that they will help lead the way to recovery.

The President's fiscal year 2010 budget proposal for USDA builds on investments made by the 2008 farm bill, the fiscal year 2009 Omnibus Appropriations bill, and American Recovery and Reinvestment Act of 2009. Together, these bills are putting people to work, supporting our agricultural producers, and spurring rural economic

development. I appreciate that the President's budget proposal is the product of tough choices during difficult times.

Mr. Secretary, you and I share President Obama's vision of transforming America's energy future by vastly expanding our reliance on domestically produced, renewable energy. I was pleased to see that the President's budget builds strongly on investments made USDA energy programs in the 2008 farm bill. The President's budget request, along with mandatory funding provided in the farm bill, will accelerate the development and commercialization of advanced biofuels and other forms of alternative energy.

In addition, I enthusiastically welcome the President's request for $1 billion annually in new funding for Federal child nutrition programs, including the School Lunch and Breakfast Programs, the Summer Food Service Program, and the Child and Adult Care Food Program. These are enormously effective programs, but they are under great strain, right now, because of the recession.

We need more aggressive efforts to ensure that that all eligible children are receiving the benefits to which they are entitled under the law. This is especially important as we seek to make good on President Obama's commitment to end childhood hunger in America by 2015.

I commend the administration for giving strong priority to child nutrition programs in the proposed budget. As a member of this subcommittee and as Chairman of the Senate Committee on Agriculture, Nutrition, and Forestry, I look forward to working with the Secretary to pass a strong, reform-minded reauthorization of our child nutrition programs.

On a less positive note, I am very disappointed with the amount allocated in the President's budget for conservation programs. The 2008 farm bill—which passsed by overwhelming bipartisan margins in Congress less than a year ago—authorized significant new investments to promote conservation and sustainable use of our natural resources.

I worked hard to include a robust conservation title. In my view, these programs are now more important than ever, especially as we work to address significant environmental concerns like climate change, nutrient runoff, loss of wildlife habitat and biodiversity, and loss of critical wetlands.

I hope that the Chairman and Ranking Member, along with other members of this subcommittee, will work with me to maintain the investments provided in the farm bill for conservation programs.

Again, I thank the Chairman and Ranking Member for holding this hearing. And I look forward to the Secretary's testimony. Thank you.

Senator HARKIN. I have a few questions I will submit in writing, but do have a question I would like to ask you.

WRP 2008 FARM BILL PROGRAM

During the last farm bill we fought very hard for conservation funding. This was a long, drawn-out negotiation both in the Senate and then in conference. We reached compromises. As I have often said, the farm bill was not exactly the bill that I would have written, and I think everybody on the Senate and House Agriculture Committee's would say the same thing. Everybody had to make compromises.

But, in the end we were able to keep a very strong conservation title in the 2008 farm bill. I am a little concerned, I must note for the record, about the proposed cutbacks in the WRP program and the EQIP program in the budget proposal. As far as I have been able to discern, there has been no reduction in the requests for assistance under programs like WRP or EQIP. Again, with increasing demand for food, feed and now moving more toward renewable energy and using land for that purpose, it may well entail more intensive cropping and demands on resources and we are going to need more conservation practices on the land.

I am glad to see that you have kept the mandatory funding levels for other programs like the CRP and CSP. But, I am concerned

about the WRP. Can you just give me some idea of why that funding was cut back?

Secretary VILSACK. Senator, first of all, I am keenly aware of your personal commitment to conservation and the work that you did not just on the 2008 farm bill, but also the 2002 farm bill to really introduce this topic of conservation in a meaningful way and creating private working lands conservation concepts in the farm bill. We are certainly supportive.

This may not be an acceptable response to your question, but it is the response that I must give, and that is, we have overall increased the spending levels over what we spent last year and the year before in conservation generally.

Senator HARKIN. That is true.

Secretary VILSACK. And we have tried in many of the programs to match the amount of money that we are asking for with the amount of work that we, in fact, have been able to do. In other words, even though you may have authorized a substantially greater amount, the capacity of USDA in some of these programs is limited by the number of people we have that are processing these applications, making sure that they are processed accurately.

In response to Senator Reed's question, I have not had an opportunity yet to really focus in on the process that we are using to determine whether or not it can be streamlined and maybe as a result, we can actually process more with the same number of people and maybe do a better job in the future of meeting those authorized limits as opposed to what we are currently proposing.

But the reason we are proposing what we are proposing is we think it is a realistic in many cases—in some cases it is actually an increase over what we spent last year. We think it is a realistic target in terms of our capacity to actually process the work.

Senator HARKIN. Thank you.

Secretary VILSACK. I do know this. I know that folks are working hard over there at NRCS and all the other agencies of USDA, but my guess is that there are probably some things we could do from a streamlined process. Senator Brownback suggested in rural development the need to integrate programs, and I think he may have a good point. There may be process integration that could take place as well. I just have not had a chance to get to that yet.

Senator HARKIN. I appreciate that. I support streamlining that could be done over there.

Mr. Chairman is my time expired?

Senator KOHL. Go ahead.

Senator HARKIN. Thanks, Mr. Chairman.

RECOVERY ACT BUSINESS AND INDUSTRY LOANS

The Recovery Act money for the business and industry loans program. Would you tell me the status of obligating this funding? It has to be obligated by September of next year.

Secretary VILSACK. Senator, I think we have done a reasonably good job of getting a significant amount of the Recovery and Reinvestment Act money out. We were fortunate because in most cases you were funding existing programs and we could work through the existing structure.

There is a funnel that is created, as you well know, between the vast number of people at USDA that are working on proposals that ultimately have to be approved by OMB, and that funnels into a relatively small hardworking outfit over at OMB.

We have put a priority on some of these programs because we think it would create the biggest bang for the buck and the quickest bang for the buck. The B&I piece of this we are working on. We have proposals at OMB I believe, that will allow us to proceed forward with those programs in the very near future, but the vast majority of the rest of the money has actually been obligated or is out the door or is in the process of very quickly being obligated.

I am pleased with what we have done in terms of 37,000 home loans. I am pleased with what we have done in terms of all of the direct operating loans that have been obligated. I am pleased that most of the watershed rehabilitation money has been allocated and the watershed easements have been allocated. I am pleased that we were able to get the SNAP money out and the administrative money to the States and the emergency funding and the school lunch monies out to the States. So we have been working pretty hard. B&I comes next, and I am anticipating that will be very, very soon.

Senator HARKIN. Very good.

Thank you very much, Mr. Chairman.

Senator KOHL. Thanks a lot, Senator Harkin.

Senator Specter.

Senator SPECTER. Thank you, Mr. Chairman.

Mr. Secretary, I join my colleagues in welcoming you here, and thank you for taking on this tough job.

PHILADELPHIA SCHOOL LUNCH PROGRAM

A couple of subjects that I would like to discuss with you in the short time allotted here. Milk prices.

I begin with the Philadelphia school lunch program, which I see you nodding in the affirmative on familiarity because there has been a very strong push by many Members on both the House and Senate side on this very important program which feeds children at 204 schools. In a big city like Philadelphia, that is a very difficult situation, a lot of single-parent families, a lot of working mothers, in the economic crunch we are in at the present time, very little income to buy the necessities of life. Where we have seen so many situations where children go to school hungry, no breakfast and no lunch, the educational opportunities are very limited.

That kind of a district has been the recipient of a lot of attention over the years, attention on a program called Gear Up, especially attuned to at-risk young people, extensive job training programs, a very, very difficult situation, mentoring, where you find a tremendous movement from truancy to juvenile delinquency to crime, extraordinarily difficult. And this lunch program is really an indispensable building block on what I have seen as a city official and as a Senator.

There is concern about at least waiting until the nutrition authorization bill comes up, consideration on adding an amendment to the Agriculture appropriations bill. But is there not some way

to extend this program to relieve a lot of angst that is gripping now parents and children in this very large, very difficult city population?

Secretary VILSACK. Well, Senator, first of all, I certainly appreciate your advocacy for this program. It has been steadfast and it has been passionate. I know that it is a very important program to the city of Philadelphia.

As you know, the Bush administration made the decision before I came into office, before President Obama came into office——

Senator SPECTER. We corrected all that. We thought we did. Or somebody did if not I personally. In fact, now that I think about it, I think I had something to do with it.

Secretary VILSACK. This program has been extended a couple of times. But in December 2008, the school district was notified of the intention to discontinue the program. We recognized that an abrupt discontinuation of the program was not an appropriate way for us to respond to the moral challenge that you have outlined to these families. And we have been searching for a way in which we can not only continue to do what needs to be done in Philadelphia, but make sure that every inner city, every major city, the children of every working family or poor family that has the same kinds of circumstances get an opportunity to be well fed. I want to assure you that that is an absolute commitment of this USDA, of this President. He wants to end childhood hunger by 2015. He is committed to it. We are committed to it. I know you are.

We are anxious to work with you to figure out ways in which that program can be a model, a pathway to a national effort that enables all of the children similarly situated to have the benefit of decent meals. So whether it is in the Reauthorization Act or after the Reauthorization Act, we are happy to work with you on that. We make that commitment today to work with you.

Senator SPECTER. Are you saying, in effect, that there is some real optimism about our ability to have this program continued?

Secretary VILSACK. I think what I would like to be able to say, Senator, is that I would like to see it rolled into a program that essentially extends those kinds of opportunities all over the country, including Philadelphia, not necessarily only Philadelphia, but including Philadelphia. We think that we have learned a lot from this program, and the question is can we figure out how to take what we have learned in Philadelphia and make sure that it is available to cities all across the country.

Senator SPECTER. Well, if you are talking about rolling the Philadelphia program into a broader program, that is terrific. I think there ought to be a broader program, and my focus, obviously, necessarily is on Philadelphia. But if you think it can be rolled into a broader program, that would satisfactory.

Secretary VILSACK. That is what we hope. I mean, I am from Pittsburgh, Senator, so we want to make sure the rest——

Senator SPECTER. I am equally concerned about Pittsburgh.

And also, Secretary/Governor, about Iowa, and about children all across the country.

Secretary VILSACK. As I am as well, Senator.

LOW MILK PRICES

Senator SPECTER. My time has expired and I will not ask another question to take more time of the subcommittee, but we will submit in writing the concerns I have about the reduction in milk prices, some 36 percent lower from January to April of this year compared to last year. We will ask you about what might be done under the MILC program or under the Dairy Export Incentive Program because the farmers of my State and I think the farmers across the country are in very bad shape.

Secretary VILSACK. If the chairman would allow me 30 seconds to respond to——

Senator SPECTER. You are not restricted on time. It is only Senators who are restricted on time. The red light does not go on for you.

Secretary VILSACK. I just simply want to reassure you that we are very concerned about the dairy situation, which is why we have got the MILC payments out. We anticipate that by the time it is all said and done—I want to make sure I get this number right—almost $900 million will be paid, we suspect, through the MILC program.

We have also given instructions to our farm service agencies to work with our dairy producers to enable them to restructure, refinance, reexamine their lending so that they are not put in a difficult situation because of these low milk prices. We know that they are looking very carefully and closely at how they can help.

We also recently utilized the DEIP program making sure that it was WTO-compliant but that we exercised support for exports as well.

So we have taken a number of steps in the last couple of months, Senator, to respond because of your advocacy and Senator Casey's advocacy and, Senator Kohl, your advocacy in particular and those from California. We have been listening and we have been trying to respond as best we can.

Senator SPECTER. That is very encouraging. Thank you very much, Mr. Secretary.

Thank you, Mr. Chairman.

Senator KOHL. Thank you very much, Senator Specter.

GLOBAL FOOD SECURITY

Mr. Secretary, as you know, global food security is one of the most important issues in this subcommittee, and we discussed a number of ways to improve agricultural systems in developing countries in order to improve stability and to also fight world hunger. How is USDA involved in this effort, and what more can you do to improve food security around the world?

Secretary VILSACK. Senator, I would say a couple of things.

First of all, we think this is an opportunity for us to expand the McGovern-Dole program. As I said earlier, this is a program that has been enormously successful. We have suggested an increase to $200 million. That will allow us to expand the program to four African nations, helping about 400,000 additional children. We are pleased with the fact, again as I said, a number of countries have been so impressed with the appropriateness of helping feed chil-

dren and the connection that that has had with youngsters' ability to be educated, that they themselves have taken up that responsibility.

We also believe that we need to integrate our efforts with the State Department, with USAID, and to develop an overarching philosophy that is focused on the three principles of food security, which is availability, providing technical assistance and help so that countries can raise what they can raise and do it in the most productive way possible, assisting those countries in utilizing trade to supplement what they cannot raise and providing appropriate emergency food assistance when that becomes necessary. That is one component.

The second component is accessibility, the ability to get food from where it is being grown to where it is needed. That involves infrastructure, and we are specifically, as it relates to Afghanistan and Pakistan, hopeful that we can work with those two countries to substantially increase the infrastructure, to substantially increase productivity, to deal with water issues, to create assistance with regulatory structures and frameworks so that they can enhance their trade opportunities as a model, and then finally utilization, the capacity to properly refrigerate, properly handle, properly utilize the food that is available and is accessible. All of those components have to be part of our overall program.

USDA is prepared from technical assistance from the research component, from APHIS, from the regulatory assistance that we can provide and from the fellowships that are funded through USDA, the Borlaug Fellowships, the Cochran Fellowships, and the land grant university exchanges that take place. All of that is part of an overarching program that we are instituting with Afghanistan and Pakistan and we hope to be able to extend it to sub-Saharan Africa. We think if we can do this and we have the resources to do it, we can, I think, profoundly impact this food insecurity issue that challenges the world.

And then finally, we discussed earlier today water. That is a very critical issue, and I think we can help provide resources in terms of technical assistance of how to utilize water.

The research that is being done today for the most part is focused in this country on large farms, but the reality is that the vast majority of farms worldwide are very small farms. So it may not take a lot of technical assistance. It may be fairly rudimentary to provide drip irrigation systems that might be very inexpensive.

We just need to figure out strategies to help these farmers be more productive, to help them to be able to access trade opportunities, and help them to be able to be self-sufficient, and when and if it becomes necessary, we need to be prepared to provide emergency assistance and maybe in a more efficient, more effective way as was outlined earlier today.

Senator KOHL. Very good.

RURAL COMMUNITY FORUMS

You have held several rural community forums across the country. I understand you may be holding more. What kinds of things have you been discovering? What kind of information have you been gathering?

Secretary VILSACK. Well, it somewhat depends on the area of the country, but I think that there is a real strong desire on the part of rural America to participate in helping reduce our dependence and our addiction to foreign oil. I think there is a belief that whether it is biomass or whether it is corn-based ethanol or whether it is new alternative feedstocks, there is a real desire for America to be producing its own energy.

And there is concern, as you well know—and Senator Brownback, I am sure you know as well—about the existing infrastructure for the ethanol industry and the biofuel industry. So we are working with our credit friends, Farm Credit and others, to try to figure out strategies and ways in which we can make resources available or restructure the resources we have so that we maintain that infrastructure.

Then the President has provided a directive to us to accelerate the implementation of the energy provisions of the farm bill. We intend to meet the deadline he has set for us. So very, very shortly you will see proposals relative to second-and third-generation feedstocks, resources for new biorefineries, resources to convert existing biorefineries, to use these new feedstocks, and assistance for producers to produce these new feedstocks. That is one thing that we are hearing.

Then the dairy issue we have discussed is a serious issue, and we have tried to outline the fact that we have taken steps. Pork producers are feeling stress. Part of our challenge is that we have tools to respond to situations like this, but to a certain extent, because of decisions that are made to direct section 32 resources, sometimes our capacity to respond in as large a way as necessary is a bit compromised. So we are trying to figure out ways in which we can encourage, for example, institutional buyers to focus on purchasing pork to take some of the pressure off that industry, and we are obviously working hard on trying to reduce trade barriers.

I think there is a genuine concern in rural communities. They are anxious to know that the Recovery and Reinvestment Act relates to them. When they hear a water treatment facility being funded in their town or they hear a health care facility being expanded or equipped because of resources or they hear that the river that has flooded every year is not going to flood or that they are going to receive some relief from that because of what USDA has done, they are appreciative.

And then we have made an effort to make sure that they not only know the resources that are provided from USDA, but they have a sense of all the other resources that are being provided from other departments of Government. I think that is a reassuring message.

Senator KOHL. Very good.

Senator Brownback.

Senator BROWNBACK. Thank you very much.

THE NEW HOMESTEAD ACT

Mr. Secretary, a couple things. You started off talking about wealth creation on a regional approach which perked my ears up that we need to do that in rural areas, and we certainly do. We are losing a lot of population in rural areas.

May I suggest you or your staff take a look at a bill several of us put together and have for a series of years called the New Homestead Act? Senator Dorgan, previously Senator—well, several from the Midwest, myself have put this forward as a way to try to get more investment and growth taking place in rural areas. We worked at it a long time. We modeled it after what was done in this country in the 1970s to get the urban areas to go again. And we put in a series of tax incentives in particular that just applied to rural areas in counties that had lost population over the last 20 years. So you are trying to target just those areas that have lost population. I think Iowa had half of its State, as half of mine, qualify in that. Then you have got a whole swath. We took things that had worked previously in the urban areas to get regeneration taking place that we think would work in the rural ones. I would hope you would take a look at that. We put a fair amount of time in it.

I want to show you a bag, if I could. We did not fill it, but I am sure, if you have not seen one of these, you are going to see a bunch of these.

Secretary VILSACK. I have one in my office.

Senator BROWNBACK. Good. So you are well aware of this. I love these. I see them around the world. I love the American flag on it. I love the partnership on it. So that piece of it I like.

CORN-SOY BLEND

The point I wanted to make is it is a corn-soy blend. Great. All for corn-soy. But this formulation has not been changed in 30 years. That was when we developed the corn-soy blend for food aid, 30 years ago, and we have not changed what we are shipping in 30 years.

Now, the reason I make that point is that they polled a series of Nobel laureates and said, if you were going to put money anywhere in the world to improve the status of humanity, what would you do? And the top one and third thing were both micronutrients that they said. Cheap, effective. If you took that corn-soy blend and you added proper levels of iodine, zinc, vitamin A, and iron into it for children at the right age, you would have dramatic impact. It is not heavy to do that, but it does require some reformulation of it to do.

Tufts University is doing a study right now—maybe you know about this—on its reformulation. And I am looking at this and going, this is cheap for us to be able to do. We dramatically improve lives and we use that adjacent to what we are doing on AIDS and malaria in Africa particularly, and our outcomes get dramatically better. It is simple and it is cheap. So I would hope you could look at this Tufts study in this area just of micronutrients.

Now, you have got to fund it all. That is the trick for everybody. One of the things we are looking at is to say, okay, if we are spending 65 percent right now on administration and transportation for our food aid, what if we could put a hard level that we cannot spend anymore than 45 percent for administration and transportation? That is pretty generous right there. You are going to spend nearly half your budget just to administer and get it there. And then use your delta difference to get the micronutrients in this and

to target it so you do not have new funds having to go into it, but you dramatically improve your outcomes with it.

We are researching that. I would love to work with you on it. You have far more resources to do this than we would. I think the resources are there if we sharpen our pencil on those two areas and then look at what we can do in this field.

I wish you godspeed there at Ag, Secretary. That is a great spot, and I am sure you will do a great job at it.

Senator KOHL. Thank you, Senator Brownback.

WIC FUNDING

Mr. Secretary, would you talk about WIC? Do you think we are adequately funded for this year? Are you worried about having to come back for more? What do you see for WIC?

Secretary VILSACK. Senator, we have made our best estimates in terms of what we have proposed, and I believe we also have some contingency language in the WIC program. We believe 9.8 million participants is a very good, healthy estimate of what the program will be, and I believe we have provided resources and funding for that level. This is, obviously, a very important program and one that we are fully supportive of and one that is consistent with the President's desire to assist in ending childhood hunger. So we are committed to it, as we are with the SNAP program and as we are with the Child Nutrition Reauthorization efforts that will be undertaken this year.

Senator KOHL. Very good.

RENEWABLE ENERGY PROGRAM DIRECTION

Would you amplify a little bit your vision of USDA's role in terms of the administration's renewable energy program in years to come?

Secretary VILSACK. I would be happy to, and it really dovetails a little bit with what Senator Brownback was talking about earlier in terms of rural development and regional development.

The administration, first and foremost, is committed to an expansion of the biofuels industry. The President established a working group recently directing myself, Secretary Chu and Administrator Jackson to figure out strategies for expanded marketing of biofuels. We are in the process of having staff meet to try to figure out ways in which that can be done.

As I said earlier, first and foremost, we have to maintain the infrastructure that we have. That is a challenge with the current credit circumstances of some of those entities.

Second, I think we have to continue to—and we will continue—invest in research that allows us to be more efficient with ethanol and soy diesel and biodiesel and biofuels that we are currently producing both in terms of the energy that is used and in terms of the natural resources that are required, specifically water. There is a lot of interesting, exciting research and activity being done to reduce the amount of energy and to reduce the natural resources in producing those fuels.

The third thing is to continue to promote—and we will, as I indicated earlier—with the energy title of the farm bill, all aspects of the energy title of the farm bill identifying second- and third-gen-

eration feedstocks. There are interesting efforts and demonstration projects underway using corn stover, the corn cob, the husks of corn. There are interesting opportunities potentially with grasses.

There clearly is an effort in woody biomass. We are trying to link that effort up with opportunities with the Department of the Interior and Agriculture as we try to maintain our forests in an appropriate way and reduce the hazardous fuel that currently exists in our forests, to reduce the intensity of fires. All of that can create an opportunity for us, and there are some resources, you well know, to create demonstration projects in that area. We will aggressively pursue that.

We are working hard, once the rules are out, to put resources to work creating new biorefineries. We have already at least announced one grant, a joint grant between ourselves and the Department of Energy, to accelerate research, but we are also providing resources to build new biorefineries. We are trying to identify biorefineries that want to convert their production process. We are able, because of the money that you all put in the farm bill, to be able to assist them in making that conversion.

We are looking for farmers who are obviously interested in helping us produce the feedstocks of the future and provide resources and assistance for them to do so.

We are also working with communities trying to identify communities that will want to convert to using woody biomass to produce some of their power.

That is part of the strategy that wraps around the whole notion of renewable fuel and energy which we think is a growth opportunity for rural America. Whether it is wind or solar, hydro, geothermal, we think that there are enormous opportunities in rural communities if we are strategic and if we are smart about the transmission challenges that renewable energy presents.

We are currently thinking about and working on how you would distribute biofuels, whether it is through the current system or through a pipeline system. I know that there are some Members of Congress who are interested in looking at the possibility of a pipeline that would make it easier to transport biofuels that are produced from, say, the Midwest to other parts of the country or from other parts of the country to the Midwest.

We are working on strategies to make sure that once we produce the biofuel, that it can be adequately marketed. So many stations today do not have adequate pumping or tank infrastructure. So there are opportunities, I think, for us to respond. We are looking at ways in which we can use our rural development resources to enhance gas stations, convenience stores to be better equipped to handle ethanol.

We are also continuing to, obviously, articulate the desire and hope that we look at the blend rate that is currently at E10. We are hopeful that it will be expanded from E10 to somewhere between E10 and E15. That, obviously, will expand opportunity and send a clear, strong message particularly to the market and to lenders that we are in this for the long haul.

So it is a wide variety of those things, and we are, obviously, expecting our car industry to respond by producing cars that are more amenable to flexible fuels.

ADDITIONAL COMMITTEE QUESTIONS

Senator KOHL. Very good.

Well, we thank you for being with us, Secretary Vilsack. I am most encouraged with you as a person in terms of your knowledge, your enterprise, your energy, your ambition, and I am convinced you are and will be a great Secretary of Agriculture. Thank you for being with us today.

We will hold the record open for a week for any additional questions.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR HERB KOHL

BROADBAND

Question. Mr. Secretary, for some years this Committee has supported extending high speed broadband service to the most remote, unserved areas of rural America. Substantial funds have been made available in annual appropriations bills, and $2.5 billion was provided to USDA for this purpose in the Recovery Act.

Please describe the progress that has been made in expanding broadband access to unserved rural areas.

How is USDA working with the Commerce Department to utilize funds provided in the Recovery Act?

When do you expect to start spending Recovery Act funds?

In addition to the Recovery Act funds and substantial carryover from fiscal year 2008, you are requesting a large increase in the 2010 appropriation. Please explain why you think this increase is needed.

Answer. The Rural Utilities Service has made substantial progress in providing assistance to unserved and underserved rural areas. Since 1995, we have required all new telecommunications capacity that we finance to be broadband capable. We have had great success with our Community Connect and Distance Learning and Telemedicine programs, providing more than $425 million in funding for these programs. Our broadband loan program, created by the 2002 Farm bill, has provided over $1.1 billion in loans to more than 90 broadband projects in rural communities spanning 42 States.

The Recovery Act marks a major new chapter in this effort. Since its enactment, we have worked side by side with our partners at Commerce, the FCC and the White House to fulfill the President's vision for promoting broadband access across the Nation. This was an unprecedented collaborative process between these two Cabinet level agencies.

Since the Recovery Act was enacted in February, USDA and Commerce held six joint public meetings and published and Request for Information in the Federal Register to solicit input from the public. We determined early on that the two Departments need to join forces and make the process as seamless as possible. One application, one Notice of Funding Availability (NOFA), and one web portal (broadbandusa.gov) were developed.

Our first joint NOFA is expected to be published in the Federal Register in July. This NOFA will be making $4 billion available for broadband infrastructure loans, grants, and loan grant combinations targeted to underserved and underserved areas.

Immediately thereafter, USDA and Commerce will hold 10 joint Outreach and Training Workshops in 10 States on how to apply for the program.

At the end of the application window, USDA and Commerce is expecting to receive applications seeking funding from the $4 billion made available under this first NOFA. We expect to begin making awards in November.

With regard to the fiscal year 2010 budget, USDA is seeking the same deliverable broadband program level as fiscal year 2009. The increase in the appropriation request stems from an increase in the budget authority cost.

CIVIL RIGHTS

Question. We are pleased, Mr. Vilsack, that you are aggressively addressing longstanding civil rights issues at the Department. Because the Pigford case remains

in litigation, we understand you cannot freely discuss it. However, please tell us what you can about progress toward resolving those claims. Has the Administration submitted to Congress a legislative proposal requesting the $1.25 billion to fund settlements? If not, when do you expect that proposal to be submitted?

Answer. USDA has been working with the Department of Justice, which has the lead in negotiating the settlement for the Government. Once more details are known, legislation will be submitted to carry out the settlement. I have asked that additional information be provided for the record.

[The information follows:]

On August 28, 1997, a group of African American farmers filed a class-action lawsuit against USDA in Federal district court, alleging discrimination in USDA farm loan and farm programs (originally *Pigford et al.,* v. *Ann Veneman*, now *Pigford et al.,* v. *Tom Vilsack*). The court certified the class, and entered a Consent Decree on April 14, 1999.

The certified class was described as all African American farmers who: (1) farmed, or attempted to farm, between January 1, 1981, and December 31, 1996; (2) applied to USDA during that time period for participation in a Federal farm credit or benefit program and who believed that they were discriminated against on the basis of race in USDA's response to that application; and (3) filed a discrimination complaint on or before July 1, 1997, regarding USDA's treatment of such farm credit or benefit application. USDA has been implementing the Consent Decree since 1999, and the last of the claims were recently routed for processing.

In June of 2008, Congress enacted legislation, Section 14012 of the Food, Conservation and Energy Act of 2008 (Act), which affords individuals who did not file timely claims under the Consent Decree, judicial recourse in the U.S. District Court for the District of Columbia, for any Pigford claimant who has not previously obtained a determination on the merits of a Pigford claim.

Consequently, as of September 18, 2009, 17 civil action complaints have been filed in the U.S. District Court for the District of Columbia, by 29,938 plaintiffs. The U.S. District Court Judge entered an order suspending the requirements about USDA providing loan data, while the Court considers the class certification issue. The parties have been negotiating a resolution of the cases since last year. President Obama proposed in his fiscal year 2010 budget $1.15 billion for the sole purpose of settling the cases.

NATIONAL INSTITUTE OF FOOD AND AGRICULTURE (NIFA)

Question. What is the status of hiring a NIFA director? The budget request includes an increase of $23 million to help rural producers and citizens learn to use new technologies. Can you expand on what this will do? How many people will receive assistance with this?

Answer. Dr. Roger N. Beachy, the founding president of the Donald Danforth Plant Science Center in St. Louis, MO, has been appointed the first director of the National Institute of Food and Agriculture (NIFA) by President Barack Obama. Beachy will join the agency on October 5, 2009.

NIFA is requesting $23,000,000 to improve rural quality of life to support a competitive Smith-Lever 3(d) program focused on developing technology based system competencies for agricultural producers and food processors, and rural citizens. Mounting this program through Smith-Lever 3(d) will take advantage of the powerful existing infrastructure of both 1862 and 1890 land-grant institutions. This program will enhance the adoption and diffusion of broadband, as well as other information access technologies, and other new technologies (sensor systems, monitoring and tracking systems, nanotechnology, and decision systems). These information and other technologies can support rural entrepreneurship, sustain jobs in rural and isolated areas, and address a wide range of agricultural and food production and processing issues.

A cornerstone of this program would be the establishment of an Extension Rural Technology Corps which would build on the national infrastructure of Cooperative Extension which serves every location in the country through county and regional offices supported by a Federal/State/local partnership, and through the nationwide Extension system. The Corps could work in collaboration to educate rural citizens to fully utilize broadband and other information technology access to support entrepreneurship, remote jobs, decision assistance, and community linkages. The Corps would complement the expansion of broadband to rural areas and support rapid, creative, and effective use of the technology.

Second, the program would expedite the adoption and diffusion of new technologies to address rural and agricultural issues, to support the vitality of rural areas. For example, sensing, monitoring and tracking weather borne crop diseases

can both improve production efficiency and reduce environmental impacts by minimizing expensive pesticide purchases and application. New technologies, properly applied and interpreted can help rural communities cost effectively monitor environmental conditions, such as water quality. In addition, new technologies across a broad spectrum, including energy systems, provide opportunities for rural entrepreneurship.

The Extension system serves citizens in every county in the United States. This effort, however, would focus on the needs of citizens in rural and isolated areas, helping at least 500,000 households and businesses improve utilization of new information technologies.

MC GOVERN-DOLE INTERNATIONAL FOOD FOR EDUCATION PROGRAM

Question. Mr. Secretary, the McGovern-Dole program is an important tool for fighting world hunger. For many children in poor countries, the McGovern-Dole meal they get at school is the only one they'll receive that day. This program has received around $100 million annually in discretionary funds. I am pleased to see a significant increase in your budget request. Can you discuss the impact such a large increase will have on this program?

Answer. The 2010 budget request doubles the level of discretionary funding for the McGovern-Dole program. The increase will allow USDA to augment significantly the number of beneficiaries served as well as increase the benefits for those already participating in the program. The World Food Program estimates there are 75 million children who do not attend school and, for those who do attend, 60 million are hungry. The increase will help USDA to reduce these numbers, while at the same time support activities that encourage school enrollment and attendance, improve health and nutrition, and enhance future economic development of the country.

Question. How many additional children will be served?

Answer. It is estimated that the number of beneficiaries will increase from approximately 3 million in fiscal year 2009 to 4.5 million in fiscal year 2010.

Question. Do you envision the program entering new countries with this increase? If so, which ones?

Answer. It is possible that USDA could enter new countries in fiscal year 2010 with this increase. However, it is difficult to say how many and which countries. That will depend upon the proposals that USDA receives in terms of country selection and the level of funding requested and approved for the proposed country programs.

NIFA EDUCATION REQUEST

Question. The budget includes an increase of $41 million for Higher Education Programs, including teacher incentives, curriculum development, and other activities. Will USDA be working with the Department of Education in this endeavor? Are there overlapping activities within USDA and the Department of Education here? This request has a significant outcomes associated with it, with a wide variety of activities to be undertaken with this money. If you really want to meet these outcomes, is this request enough?

Answer. Yes, opportunities exist for USDA and the Department of Education to coordinate resources on this initiative and we will pursue those opportunities. Specifically, staff within the Department of Education's Fund for the Improvement of Postsecondary Education (FIPSE) competitive grants program have the expertise to assist USDA. FIPSE grants, like several of USDA's Higher Education grants identified for this funding increase, support innovative teaching improvement projects that promote revitalizing rural American communities. These grant programs already effectively fund academic advancements in education, and support new ideas and practices to improve how students learn. However, at current funding levels, these grant programs primarily fund projects at individual academic institutions. Significant outcomes are expected with this additional funding increase. We envision additional funding will enable establishment of new, regional Centers of Excellence where partnerships between educators and employers establish best practices in curriculum content and delivery through a local academic collaborative. These regional collaborative models will reduce duplication of effort while increasing instructional efficiency.

DAIRY

Question. Mr. Secretary and Mr. Glauber, the dairy sector is facing enormous challenges and this concerns me a great deal. Economic turmoil has diminished demand and prices paid to farmers have plummeted. We worked to strengthen the MILC safety net in the Farm bill, and you've taken steps by purchasing surpluses

and utilizing the Dairy Export Incentives Program. What trends do you see ahead for the dairy sector?

Answer. Prices and farm income are expected to recover to more sustainable levels as demand increases with economic recovery over the next 2 years. The size of the dairy herd is projected to return to the long-term trend of decline that was interrupted from 2005 through 2008 by rapid worldwide economic growth that brought increased dairy product demand.

Question. When might we begin to see positive outcomes from the steps that have already been taken?

Answer. Milk prices have begun to increase. [Clerk's note: The following response is based on information available after the date of the hearing.] The all-milk price hit the lowest level in 6 years during June and July 2009. Product shipments through the Dairy Export Incentive Program and actions taken through the Dairy Product Price Support Program brought price increases in August with the all-milk price increasing $0.50 per hundredweight. This increase will be reflected in the Milk Income Loss Contract Program checks that producers receive during September for their August milk production. Further increases in the milk price are projected through next year.

RESOURCE CONSERVATION AND DEVELOPMENT COUNCILS (RC&DS)

Question. Mr. Secretary, for the past several years, the budget request for RC&Ds has been zero. This subcommittee continues to fund this program each year. Can you explain what the practical effect would be of not funding RC&Ds?

Answer. As nonprofit organizations, RC&D councils will still exist in the short term. However, while some councils may have the financial and staff capacity to continue operating, we expect that most councils would cease to function effectively without the support of professional NRCS coordinators. As a result, the strategic planning and delivery of many conservation, renewable energy, and economic development projects in local communities would halt.

Question. There are approximately 451 staff years associated with RC&Ds. What will happen to these staff should this subcommittee not provide funding? Will anyone lose their job?

Answer. RC&D staffing adjustments are being considered as part of NRCS' human capital analysis and plan. Since NRCS is facing significant retirements in the future, all appropriate staffing incentives and adjustments are being considered. However, specific plans have not been finalized. Implementation of any plan for fiscal year 2010 would not be initiated until Congressional action on the President's Budget is known and necessary decisions have been made. NRCS intends to retain as many RC&D staff as the overall NRCS budget will support. Skills learned as a RC&D coordinator serve employees well in many other NRCS positions. The ability to foster partnerships, collaborate, and plan projects is essential to all NRCS field and State level technical positions. These employees can be placed in other NRCS field and State office positions such as district conservationist and other natural resource positions.

Question. Would the current functions of RC&Ds be absorbed within NRCS? If so, how?

Answer. As nonprofit organizations, RC&D Councils will still exist. The current functions of the Federal RC&D Program would not be provided to assist the Councils. Those functions would not be absorbed within NRCS. While NRCS would continue to deliver conservation projects on individual agricultural operations through Conservation Technical Assistance and the Farm bill conservation programs, NRCS would not absorb the valuable strategic natural resource conservation and economic development planning and project delivery function of the RC&D Program. Likewise, NRCS's remaining conservation planning and delivery programs would not support the leveraging of significant State, local, and private funding as provided by the RC&D Program. In fiscal year 2008 alone, the RC&D councils leveraged a total of $189 million from non-Federal sources to support 4,500 projects around the country.

WIC

Question. I am pleased to see in your budget a more robust request for WIC. As you know, this subcommittee has had to provide significant increases for WIC, often times at the expense of other important programs. Do you expect to release any contingency funds from fiscal year 2009? Taking into consideration the 2009 stimulus and the fiscal year 2010 request, what will the total amount available for WIC contingency be in fiscal year 2010? Do you anticipate having to use any of that contingency to maintain participation in fiscal year 2010? Taking into account the current

state of the economy, do you see food prices and participation increasing over the next few months?

[Clerks Note: The following response is based on information available after the date of the hearing.]

Answer. The total available in the WIC contingency reserve in fiscal year 2009 is $525 million, including $400 million provided in the Recovery Act. Of the total available, $38 million will be used in fiscal year 2009, leaving $487 million to be carried over into fiscal year 2010. Together with the $225 million in the budget request, the total contingency reserve available for fiscal year 2010 is $712 million. Based on current estimates for program participation and food costs, the funding levels proposed by the President's 2010 budget appear sufficient to ensure that all eligible individuals seeking benefits can receive them in fiscal year 2010 without using any of the $486.8 million in available contingency funds.

WIC food package cost estimates are based on monthly food inflation forecasts provided to FNS by the Economic Research Service (ERS). Food prices over the next few months may begin to increase slightly. FNS estimates that the WIC food package cost will increase 3.1 percent during fiscal year 2010 from $42.82 to $44.18.

FNS has typically based its participation projections on trends over the past 7 years. However, given the current state of the economy, FNS believes that participation is likely to grow at a stronger rate through fiscal year 2010, closer to the rate realized in fiscal year 2008 than to the 7-year average. FNS projects that average monthly participation will be 5.6 percent higher in fiscal year 2010 than in fiscal year 2009 from 9.1 million to 9.6 million participants.

RENEWABLE ENERGY

Question. Mr. Secretary, we are aware that expansion of renewable energy production and energy efficiency improvements are high priorities of you and this Administration. Those priorities are well represented in the increases you are requesting in this budget.

Over the last several years USDA has provided substantial support for the expansion of corn-based ethanol facilities. With the current recession and reduced oil prices, what are the short-term prospects for these facilities?

Answer. As the economy begins to stabilize and emerge from its deep recession, our hope is that demand for renewable fuels will continue to grow along with other sectors of the economy. Our reports show that those corn-based facilities that weathered the financial crisis are beginning to show profitability.

Question. Do you think additional support will be needed from the Department to sustain these projects?

Answer. USDA is undertaking an unprecedented effort to provide relief to businesses in struggling agricultural industries through the American Recovery and Reinvestment Act funding received under the Business and Industry Loan Guarantee Program. This program has been put to work to partner with lenders in helping to assist processors and other businesses connected with the agricultural sector meet their current financial needs for capital.

Question. Is the demand for the Biorefinery Assistance Program and the Rural Energy for America Program as strong as you had anticipated?

Answer. The future of the biofuels industry partially lies in the commercialization of second and third generation feedstocks. The Section 9003 Biorefinery Assistance Program is a critically important investment in that evolution.

Numerous potential applicants for the Biorefinery Assistance Program have expressed their inability to obtain a lending partner in order to apply for a loan guarantee to assist with the construction of a viable commercial biorefinery under the Section 9003 Program. Based on discussions with the lending community and the current economic climate, they are reluctant to consider this loan guarantee program without the government taking more of the risk than currently is being taken under the program. We will not know for certain the true level of demand for the Section 9003 Program until regulations are promulgated and a new solicitation of applications is conducted. That is expected to occur toward the end of fiscal year 2010.

The 2008 Farm bill authorized the Rural Energy for America Program in Section 9007 which expands and renames the program formerly called the Section 9006: Renewable Energy Systems and Energy Efficiency Improvements Program. Since the enactment of the first-ever Energy Title in a Farm bill in 2002, this program has provided grants and loan guarantees to rural residents, agricultural producers, and rural businesses for more than 1,800 energy efficiency and renewable energy projects ranging from biofuels to wind, solar, geothermal, methane gas recovery, and other biomass.

Question. The President's budget requests substantial increases of discretionary funding over and above the mandatory funds in the Farm bill for these programs. Are these increases still needed?

Answer. As noted in the answer to the prior question, we will not know for certain the true level of demand for the Section 9003 Program until the end of fiscal year 2010 when we begin to accept applications under new regulations and a new notice of solicitation.

Preliminary results show that the Rural Energy for America Program received 1,887 applications requesting in excess of $120 million. The demand for this program far exceeded the funding for fiscal year 2009. We anticipate the demand for this program to continue to grow significantly in fiscal year 2010.

MICRO-ENTERPRISE PROGRAM

Question. Mr. Secretary, this Committee is very interested in implementation of the new micro-enterprise program authorized in the 2008 Farm bill. This program will provide loans and technical assistance to support job creation and income generation through entrepreneurial development in rural areas. The Farm bill makes available mandatory funding for this program from 2009 through 2012.

Please describe the current status of this new program, and your vision of its potential to increase economic wellbeing in rural areas.

Answer. We expect the proposed rule to be transmitted to the Office of Management and Budget by September 30, 2009, for review and the agency is seeking an expedited review. We anticipate publishing a final rule by the end of June 2010, and will then be able to articulate our vision of the program's potential to increase economic wellbeing in rural areas.

Question. This budget request includes an increase of $22 million over the $4 million of mandatory money provided by the Farm bill. Is this large increase merited at this early stage of development of the program?

Answer. The Agency seeks to utilize the funding to help jump start rural economies through self employment. We believe there will be considerable demand for the increase in funding. The program includes a lending component as well as a training and technical assistance component which will contribute to the long term success of the affected businesses.

ANIMAL IDENTIFICATION

Question. I understand that in the rural community forums there was a lot of talk about the National Animal ID Program. What did you learn from those listening sessions? Do you believe this should be a mandatory or voluntary program? If it's made mandatory, what would be the cost to producers?

Answer. USDA hosted public listening sessions so that I could hear from producers and stakeholders throughout the country—not only their concerns but also potential or feasible solutions to those concerns. The transcripts of the listening sessions are available on APHIS' webpage: http://animalid.aphis.usda.gov/nais/feedback.shtml. USDA also invited the public to submit written comments via the website, which we received thousands of before the comment period closed on August 3, 2009. While the analysis continues, several clear themes have emerged from the call for feedback.

One such theme is confidentiality of the business information. Some believe that business information must remain confidential to allow for fair competition in the marketplace. Another theme is liability, and the potential for lawsuits, should something enter the food supply and cause harm. We also heard concerns about cost. Some believe the costs of identifying and tracing animals are prohibitive. Finally, privacy was another significant theme. Some see animal identification as an unwelcome intrusion by the Federal Government. USDA is continuing to review the transcripts from each session as well as the written comments that were submitted by the public.

Given the public's concerns, USDA must find a way to achieve the original and true purpose of the National Animal Identification System—animal traceability. The goal is to enhance traceability efforts in ways that respond to these concerns, recognizing and seeking to overcome the shortcomings of our efforts to implement NAIS in the last 5 years. The feedback we received from the public, along with the lessons learned over the past several years, will assist in making informed decisions about the future direction of animal identification and traceability in the United States.

USDA has not specifically estimated the costs to producers of a mandatory system, as the previous Administration had not pursued such a system and the Administration is still determining a comprehensive approach to traceability.

WATERSHED FLOOD PREVENTION OPERATIONS PROGRAM STATUS

Question. Mr. Secretary, this subcommittee provided $290 million for the Watershed Flood Prevention Operations Program through the American Recovery and Reinvestment Act.

Can you please provide an update on the status of these funds?

Answer. Of the $290 million appropriated, NRCS has allocated over $256 million—$133 million for 80 approved Watershed and Flood Prevention Projects, $118 million for 270 approved Flood Plain Easements and $5 million for agency-wide support. As of September 18, 2009, over $103 million has been obligated.

[The information follows:]

State	Total allocations	Total obligations
Watershed and Flood Prevention Operations		
Alabama	$430,000	$18,411
Arkansas	134,000	69,666
California	19,275,000	2,293,104
Colorado	3,841,900	1,350,835
Idaho	430,000	9,717
Indiana	3,300,000	28,038
Iowa	2,231,750	732,079
Kansas	1,661,000	50,873
Kentucky	4,817,880	217,840
Louisiana	4,470,000	1,044,304
Minnesota	544,000	436,552
Mississippi	7,630,000	2,268,643
Missouri	4,900,000	945,818
Montana	822,700	271,458
Nebraska	4,209,000	1,524,840
New Mexico	1,440,000	25,555
New York	1,000,000	147,438
North Carolina	5,280,858	134,749
Oklahoma	3,619,000	1,826,996
Pacific Islands	4,150,000	80,369
Pennsylvania	11,900,000	10,379,210
South Carolina	1,040,000	19,912
Tennessee	12,400,000	1,111,862
Texas	21,786,111	8,105,239
Virginia	973,000	284,144
Washington	625,000	533,940
West Virginia	10,085,000	150,958
Agency wide	3,684,200	1,117,776
Total	136,680,399	35,180,326
Flood Plain Easements		
Alabama	2,788,488	1,640,774
Alaska	740,112	151,033
Arkansas	1,890,000	1,356,112
California	5,366,400	4,335,977
Colorado	111,293	10,834
Connecticut	31,000	31,000
Georgia	3,100,218	31,880
Idaho	19,800	19,739
Illinois	3,325,800	2,692,893
Indiana	7,898,693	6,671,586
Iowa	20,855,846	12,586,216
Kansas	2,007,432	1,680,570
Kentucky	3,245,582	2,548,135
Louisiana	2,221,769	982,070
Maine	88,294	85,046
Maryland	19,963	19,862
Michigan	497,100	435,407
Minnesota	1,524,776	1,028,453
Mississippi	2,125,116	1,620,622

State	Total allocations	Total obligations
Missouri	4,171,582	1,189,791
Montana	10,468	10,468
Nebraska	350,820	289,646
New Hampshire	407,822	140,025
New Jersey	745,164	578,882
New York	782,466	56,078
North Carolina	443,400	322,562
North Dakota	10,210,554	3,804,286
Ohio	9,624,170	452,705
Oklahoma	2,911,620	35,146
Oregon	2,275,770	1,182,059
Pennsylvania	243,383	103,657
Rhode Island	757,200	44,182
South Carolina	87,700	87,643
South Dakota	1,843,327	1,557,318
Tennessee	1,589,154	182,227
Texas	5,516	5,516
Virginia	35,754	36,344
Washington	934,332	461,820
West Virginia	749,426	448,497
Wisconsin	22,057,287	18,619,779
Agency wide	1,583,726	550,048
Total	119,678,323	68,086,889

FOOD SAFETY ASSESSMENTS

Question. The budget proposes an increase of $4 million for additional food safety assessments. How is a "food safety assessment" different from the regular inspections done by FSIS on a daily basis? How many food safety assessments does USDA currently perform, and how many additional assessments will be completed with this money? How will you determine which establishments will receive these additional assessments?

Answer. A Food Safety Assessment (FSA) is a comprehensive look at the design and implementation of an establishment's food safety system. FSAs cover the HACCP plan and supporting documentation, sanitation standard operating procedures (SSOPs), prerequisite programs, microbiological testing procedures, sanitation performance standards (SPS), establishment documentation, and other information that relates to the establishment's products and processes. These assessments are in addition to the regular inspection verification activities performed by inspection program personnel daily at operating establishments. FSAs are performed by specially trained Enforcement Investigation and Analysis Officers (EIAOs). According to the USDA Office of Inspector General's 2007 audit report, FSAs yield the Department's best evidence about the design and implementation of an establishment's food safety system.

There are two types of FSAs, routine and for cause. The Department has committed to complete at least one routine FSA in each of the 5,400 establishments subject to the HACCP regulation every 4 years. In addition, the Department conducts for cause FSAs in establishments that have a higher probability of causing human illness. These are determined by assessing whether the establishments have produced product that tested positive for pathogens known to cause human illness, are found not to be in compliance with specific Federal regulations, or are performing worse than their peers with respect to FSIS verification activities. FSIS initiates approximately 300–400 for cause FSAs every year to address enforcement activities resulting from findings of E. coli O157:H7, Salmonella, Listeria monocytogenes (Lm) sampling and product recalls.

The complexity of an establishment's food safety system and the need for urgent reporting may result in more than one EIAO being involved in an individual food safety assessment. In the future, once the Public Health Information System is fully implemented, establishments meeting the criteria for a cause FSA will be more quickly identified through an automated process.

In fiscal year 2008, the most recent year for which complete data is available, approximately 1,352 FSAs were conducted, both routine and for cause. The FSAs, primarily those conducted for cause resulted in 28 suspensions of operations and 135

notices of intended enforcement action. With the Department committed to conducting a routine FSA in each establishment every 4 years, the annual number of total number of FSAs, including routine and for cause, will increase to approximately 2,000. The $4 million budget increase includes hiring 20 additional EIAO full time staff and the laboratory costs associated with these additional FSAs.

FOOD SAFETY INFRASTRUCTURE

Question. Mr. Secretary, in your statement, you mention the proposed FSIS increase of $23 million to improve food safety "Public Health Infrastructure", noting that it will strengthen FSIS' ability to target inspections and investigate outbreaks. Those goals are impressive, but what exactly will this funding be used for?

Answer. The Public Health Information System (PHIS) will protect public health through food safety and food defense inspection of the production and distribution of domestic and imported meat, poultry and processed egg products; ongoing and real time assessment, analysis and surveillance of public health data; and implementation of incident command procedures to address outbreaks of foodborne illness or contamination of food products.

Specifically, the $23 million increase to the public health infrastructure is divided into two categories as described below.

First, $13.5 million will be used for the scheduling of food safety and food defense inspection verification and sampling in 5,400 Federal domestic establishments, 134 ports of entry and 1,900 State-inspected facilities; nationwide reporting of inspection verification and sampling results; integration of inspection and sampling data as well as other public health data into a data warehouse for real time assessment and analysis; and operation of an emergency response systems (particularly, the FSIS Incident Management System, Consumer Complaint Monitoring System and Recall Management System) on a 24/7 operational basis with full failsafe/redundancy capability at the USDA Data Centers.

Second, the remaining $9.5 million will provide for systems, technical and telecommunication implementation and support for 9,500 FSIS and 1,400 State employees and enactment of Cyber Security controls to meet mandated authentication procedures and security policies, encrypt data and systems, perform vulnerability assessments and remediation to block and prevent evolving national and international threats and intrusions, and maintain system certification and accreditation necessary for the enablement and function of public health inspection and emergency response systems.

RESEARCH

Question. Mr. Secretary, although you have stated several times that a top goal of the Administration is to pursue research regarding renewable fuels, the overall research accounts actually receive a net decrease in this budget. Although there are requested increases in the research accounts regarding renewable fuels, are you concerned that overall this is coming at a cost to more traditional agricultural research, important for increasing yields and expanding agricultural production?

Answer. The Administration is committed to developing homegrown energy to end our dependence on foreign oil and revitalizing rural America. Therefore the President's 2010 Budget continues to aggressively provide the resources needed to help bring greater energy independence to America and includes $88.63 million for bioenergy/renewable energy research and development. This is an increase of $9.68 million over the Department's 2009 budget and also eliminates $8.09 million in bioenergy earmarks.

Much of the research related to bioenergy, such as functional genomics, resource management, productivity, and sustainability issues also address problems faced by traditional agriculture and will directly and indirectly promote the goals of increasing yields and expanding agricultural production.

ANIMAL ANTIBIOTICS

Question. Some experts estimate that as much as 70 percent of all antibiotics sold in this country are used in food animals for purposes other than treating diseases and that this contributes to the rise in antibiotic-resistant bacteria.

What research has USDA undertaken or funded to evaluate this threat? What work is being done to support development of alternatives for producers in the event that sub-therapeutic use of antibiotics is restricted in animal agriculture?

Answer. Collaboration in animal health and food safety epidemiology (CAHFSE) is a joint effort among three agencies of the U.S. Department of Agriculture: the Animal and Plant Health Inspection Service (APHIS), the Agricultural Research Service (ARS), and the Food Safety and Inspection Service (FSIS). The mission of

this important surveillance effort is (1) to enhance overall understanding of bacteria that pose a food-safety risk by monitoring these bacteria on-farm and in-plant over time, and (2) to provide a means to routinely monitor critical diseases in food-animal production. A particular emphasis of CAHFSE is to address issues related to bacteria that are resistant to antibiotics.

In March 2009, ARS contributed to the development of the Public Health Action Plan to Combat Antimicrobial Resistance, developed jointly by the Food and Drug Administration (FDA), Centers for Disease Control and Prevention (CDC), and National Institutes of Health. ARS, in collaboration with the FDA Center for Veterinary Medicine and the (CDC), is an integral member of the National Antimicrobial Resistance Monitoring System (NARMS). This system was implemented in 1996 with a goal of monitoring trends in antimicrobial resistance in humans, animals, and retail meats. ARS is responsible for the animal sampling arm of NARMS and collects samples from slaughter plants, diagnostic laboratories, and healthy animals. As part of this effort, ARS is also conducting research to develop more sensitive detection methods to identify resistance-associated genes. NARMS has provided preliminary data on antimicrobial use, although this information is not yet linked to data on resistance. ARS has also conducted some pilot studies to monitor resistance in potentially emerging pathogens, such as methicilin-resistant staphylococcus aureus (MRSA), enterococci, and C. difficile. I will provide additional information for the record.

[The information follows:]

ARS is evaluating processing technologies that minimize foodborne pathogen contamination and determining what effect contamination levels have on the development of antimicrobial resistant pathogens. ARS also models the gene flow of certain antibiotic resistance factors and is developing strategies to extend the useful life of antibiotics in both animal and human medicine.

ARS is currently using metagenomic (and also cultural) approaches to evaluate the effects of feeding subtherapeutic (growth promoting) and therapeutic antibiotics on swine intestinal microbiota. The goal of this effort is to identify changes in microbial composition associated with performance enhancement, and to define how growth promotants work to support the identification of alternatives with similar growth-promoting effects. Specifically, researchers are looking for changes in the gene content of swine exposed to one or more antibiotics. Also underway are plans to conduct field trials to test whether or not growth promoting antibiotics (such as carbadox) still work in swine and to investigate the utility of metagenomics for detecting changes in intestinal microbiota caused by marketed probiotics.

ARS develops and evaluates non-traditional products or alternatives to antibiotics (e.g., probiotics, other natural products) and assesses what effect they may have in decreasing resistance. ARS is evaluating the role of antibiotic resistance in creating enhanced virulence or pathogenicity in bacteria (Salmonella in cattle). Researchers are also developing microarrays for the detection of antimicrobial resistance genes in bacteria and as a method to track the different genes responsible for virulence in bacteria.

DAIRY PRICE SUPPORT PROGRAM

Question. Economic turmoil and plummeting prices have hit the dairy sector very hard. This administration has taken several welcome steps in an effort to mitigate the impact, but the strain on American dairy farmers is enormous. One further administrative step which I'd ask you to review involves the Dairy Product Price Support Program (DPPSP).

In the past, USDA has purchased pasteurized processed cheese product, and paid a premium for it because it comes in consumer-ready packages. Cheese manufacturers in my area of the country typically sold pasteurized processed cheese as the first line of defense against rapidly falling milk prices. Unfortunately, that option is no longer available.

What flexibility does the Department have to adjust the directive issued by the previous administration which eliminated pasteurized processed cheese purchases under the dairy support program?

Answer. The Department has no flexibility to adjust the directive because the elimination of pasteurized process cheese was based on changes to the milk price support program in the Food, Conservation, and Energy Act of 2008 (2008 Farm bill). The Secretary is now directed to specifically purchase cheddar cheese under this program, rather than previous legislation directing the Secretary to purchase cheese.

ANIMAL IMPROVEMENT LABORATORY

Question. The Animal Improvement Program Laboratory (AIPL) in Beltsville, MD, conducts research to discover, test, and implement improved genetic evaluation techniques for economically important traits in dairy cattle. Due in part to their work, the United States is a world leader in dairy genetics and last year exported more than $105 million in bovine genetic material. Please describe current Federal support for bovine genetic and genomic work at AIPL and elaborate on steps being taken to ensure that the United States maintains its leadership role in dairy genetics.

Answer. Genetic evaluation techniques for economically important traits have undergone a revolution in the past 2 years and the Animal Improvement Program Laboratory (AIPL) has led the way with increasing involvement of the Bovine Functional Genomics Laboratory (BFGL), a sister Agricultural Research Service (ARS) laboratory in Beltsville, MD. I have asked ARS to provide a progress report for the record.

[The information follows:]

USDA–ARS and its collaborators have developed a process to incorporate genomic information into the traditional genetic merit information based upon trait measurement (i.e. lbs. of milk, fertility, health) which dramatically improves the genetic merit evaluation. This current genetic evaluation scheme depends critically on incorporation of genomic data to predict genetic merit in dairy bulls. The effectiveness of these new techniques, and thus the rate of adoption of this technology in the U.S. dairy industry, has been astounding. In January of this year, less than 1 year from the delivery of the first preliminary research results using this technology, USDA–ARS scientists have incorporated this completely new information derived from DNA testing into the official national dairy cattle genetic evaluation. This technology transfer success was the result of a highly collaborative effort led by USDA–ARS scientists with collaboration among academic groups, artificial insemination organizations, and breed associations. Financial support was provided through competitive grants, collaborative agreements, and USDA base funds. To date, over 35,000 animals have been genotyped, and that number continues to grow rapidly. Collection and use of performance data, improved record keeping and enhanced capability to associate performance with genomic markers continue to be cornerstones of the USDA–ARS efforts.

The aggressive adoption of this technology in the U.S. dairy industry has outpaced implementation around the world, and as a result the ability to predict genetic merit in the U.S. dairy industry is more accurate than in any other country. A corresponding increase in the genetic level of U.S. dairy germplasm is a direct result of this technology adoption. The cost of progeny testing to determine a bull's value could be as high as $50,000 per bull, whereas the genomic evaluation gives comparable accuracy at a cost of approximately $300 per bull. Using this DNA information, we are now able to generate genetic predictions for males much earlier in life with high accuracy and a dramatically lower cost. This technology is expected to increase the rate of genetic improvement by at least 50 percent. Some estimates suggest a doubling of the genetic gain to be more realistic. Because of this dramatic increase and the implementation lead gained by this rapid deployment in the United States, export opportunities for U.S. dairy germplasm are expected to increase substantially over time.

Work to expand this technology is continuing in AIPL and BFGL. Scientists there are leading efforts to develop even more sophisticated DNA tools that will enable this technology to be implemented in beef cattle populations. In addition, these tools are being developed to help serve the needs of the developing world by incorporating information specific to cattle in tropical and sub-Saharan environments.

To maintain its lead in dairy genetics and extend these tremendous results into other cattle populations, close collaboration with academic groups, artificial insemination organizations, and breed associations will continue. Innovation continues to be spurred by the exciting discoveries of implementing genome enhanced genetic improvement. Growth in the areas of bioinformatics, quantitative genetics and computational biology are needed to maintain and extend this lead.

ARS funding support through AIPL is estimated at $2,893,200 and support through BFGL is estimated at $2,294,100.

QUESTIONS SUBMITTED BY SENATOR TOM HARKIN

ADVANCED BIOFUELS

Question. As you know, Secretary Vilsack, the 2008 Farm bill placed a heavy emphasis on providing support for advanced biofuels, including support for biomass feedstock development, support for harvesting transport and storage, and support for both pilot plant and commercial scale biorefineries for advanced biofuels. However, since the Farm bill was passed, credit markets have tightened significantly, so that even with assistance provided by the Farm bill programs, I am hearing that advanced biorefinery developers are having major difficulties is securing financing for start-up plants. This, in turn, is leading to the real possibility that the biofuels industry may not be ready to meet the requirements of our national renewable fuels standards (RFS) for advanced biofuels.

Do you have a recommendation for how USDA might assist with this problem?

Answer. Numerous potential applicants for the Biorefinery Assistance Program have expressed their inability to obtain a lending partner in order to apply for a loan guarantee to assist with the construction of a viable commercial biorefinery under the Section 9003 Program. Based on discussions with the lending community and the current economic climate, they are reluctant to consider this loan guarantee program without the government taking more of the risk than currently is being taken under the program. We will not know for certain the true level of demand for the Section 9003 Program until regulations are promulgated and a new solicitation of applications is conducted. That is expected to occur toward the end of fiscal year 2010.

Question. Is more funding for the biorefinery support program advisable or essential for that?

Answer. Mandatory funding received under the 2008 Farm bill is limited to loan guarantees. The 2010 Budget also requests funding to support loan guarantees.

LOCAL FOODS—BUSINESS AND INDUSTRY LOAN AND GRANT PROGRAM

Question. The recently passed fiscal year 2009 Omnibus appropriations bill and American Recovery and Reinvestment Act provided significant funding for the Business and Industry loan program at USDA. The 2008 Farm bill modified the Business and Industry Program to allow local and regional food enterprises to be eligible for assistance under this program and requires that 5 percent of the annual funding under this program be reserved for these enterprises.

Can you tell me what the department is doing in terms of outreach to encourage local and regional food enterprises to participate in this program?

Answer. The department has a Know Your Farmer, Know Your Food Initiative and will be establishing a website where this program will be featured among all of the department's resources to assist this effort.

ACRE PROGRAM IMPLEMENTATION AND TRAINING

Question. Secretary Vilsack, the 2008 Farm bill includes a new counter-cyclical option called the Average Crop Revenue Election (ACRE) that uses average State-level crop revenue to establish a threshold for coverage. Farmers will have to actively elect to participate in this new program and agree to forgo a portion of their direct payments and to accept lower loan rates. I appreciate that you extended the time for farm program signup to give producers additional time to weigh the benefits of the program options. I am concerned, however, that local county FSA personnel may not have adequate training to help producers consider their program options.

What training has the Farm Service Agency provided on the ACRE program and what plans are in place for additional training over the next few months?

Answer. The Farm Service Agency has distributed fact sheets and extensive background information to the field staff and has conducted training meetings and webinars along with other efforts to ensure staff is adequately trained. However, we agree with you that further efforts to improve our employees' and producers' understanding of ACRE would be beneficial. The agency has set up a special website for DCP/ACRE which includes extensive detailed information, and a new program payment calculator to help producers evaluate their options. Plans call for additional State and county data files to be made available to further assist our employees and producers. Further, we are considering launching additional efforts to educate producers as well.

Question. Would you consider targeting training in those States where producers are expected to be more interested in the ACRE program?

Answer. We will attempt to ensure that FSA staff in all States are adequately trained and equipped. However, States with higher numbers of eligible producers will likely receive priority for our special educational meetings.

Question. Do you anticipate any computer-related problems as producers enroll in ACRE?

Answer. While the FSA computer system remains a concern, we believe that the agency will be able to manage the signup process adequately with the current system.

USDA AND DOE COLLABORATION

Question. The Department of Energy provides significant support for the development of biofuels, as well as USDA. Both agencies are supposed to work together in this arena. However, I believe that USDA is has a much better track record for supporting commercialization efforts, and that suggests that USDA and DOE should be collaborating on bioenergy program planning and execution.

What is your perception regarding USDA and DOE collaboration in the area of bioenergy? Do you think it is adequate or optimal?

Answer. USDA is satisfied with the level of collaboration with DOE in the area of Bioenergy, including the Biomass Research and Development Board. DOE presently provides USDA technical expertise in the review of Section 9003 Biorefinery Assistance and Section 9007 Rural Energy for America Programs (REAP) applications.

Question. Do you have suggestions for improvements?

Answer. One way to augment both programs would be to increase partnerships, in the combined issue of grants and loan guarantees to second and third generation biorefineries. This would allow both departments to leverage commercialization efforts of second generation biofuels.

Question. And do your recommendations have budget implications?

Answer. In the May 5, 2009, President's Directive on Biofuels and Rural Economic Development, the President created a Biofuels Interagency Working Group co-chaired by Secretaries of Agriculture and Energy and Administrator of EPA to develop the Nation's first comprehensive biofuel market development program.

The two Departments have identified the leadership to co-chair the Biomass Board that is authorized under Section 9008, Biomass Research and Development, of the Farm bill. This Board will not only coordinate bioenergy activities in the two Departments, but will coordinate Federal Government wide activities and collaborate with the newly created Biofuels Interagency Working Group mentioned above.

FSA COMPUTERS

Question. The President's budget includes $67.3 million to continue modernization and stabilization of the Farm Service Agency's aging computer system. In your testimony you state that, "additional funding will be required in subsequent years to complete this process."

Can you discuss what the remaining needs will be to complete this process?

Answer. The goal of modernization is to transform the Farm Service Agency's (FSA's) computer system to one that delivers information for the delivery of program benefits and information at an appropriate standard of quality and performance. When all the components of modernization have been fit together, FSA will have a streamlined information technology (IT) architecture built on business processes that are supported by newer, faster, more secure and more reliable web-based technologies. Given sufficient funding this goal will be achieved in fiscal year 2013.

We greatly appreciate the $50 million made available in the Recovery Act as a down-payment for modernization. The primary objectives required to achieve that goal include finishing up stabilization efforts and completing MIDAS so that all the Farm Program Delivery business processes and applications may be moved off of the legacy system.

Additional information is provided for the record.

[The information follows:]

The original estimate of total costs planned for the stabilization and MIDAS portion of modernization has not changed from the numbers we shared with Congress last year. Stabilization is the restoration of critical elements of FSA's IT system after it began to crumble in late 2006. MIDAS is the core of the modernization effort. It is designed to streamline FSA's farm program delivery business processes. The costs of these initiatives are the same as found in the "Description of Annual and Lifecycle Costs" table of the MIDAS Report transmitted on July 15, 2008. This report was a response to a directive in House Report 110–258 which accompanied

H.R. 3161. These costs are $305 million for MIDAS and $149 million for stabilization, which sum to a cost of $454 million.

Most of the expenses of stabilization have been met. The remaining $20.4 million needed will come from a portion of the $67.3 million request. At this point, the stabilization initiative will be complete. However, while stabilization will have mitigated many of the critical weaknesses in the legacy Farm Program Delivery system, the system will not be modernized.

The MIDAS initiative has received $19 million of the $50 million in Recovery Act funds in fiscal year 2009, so about $286 million more will be required. If the $67.3 million request is funded, FSA will apply $46.9 million of it to MIDAS, reducing the remaining costs to about $239 million.

Furthermore, we note that substantial investments will be required for additional modernization that is above and beyond the MIDAS effort. These additional investments would be directed toward the modernization of FSA's commodity operation processes, their legacy farm loan system, and several Department-wide "Enterprise Systems" FSA shares with other agencies. These investments will also include a portion of the "refreshment" of hardware in the Common Computing Environment that supports the modernized web-based FSA system being developed under MIDAS. This refreshment involves the long needed replacement of older desktop PCs, telecommunications and computer network equipment at FSA's field offices.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

ASIAN CITRUS PSYLLID

Question. For the past year, the State of California, the California County Agriculture Commissioners, and citrus industry—in collaboration with APHIS—have been working together to curb an infestation of the Asian Citrus Psyllid, taking a proactive approach to prevent the spread of Huanglongbing disease.

Will you commit the Department to working with the industry and citrus States to develop a California-type approach nationally?

Answer. USDA is committed to working with industry and citrus-producing States to implement the most practical and effective approach to control the pest based on the best available science and farm practices. The initial infestations of the Asian citrus psyllid (ACP) in California were in areas of San Diego and Imperial Counties adjacent to infested areas in Mexico. These first infestations were relatively sparse and confined to small residential areas. This made it possible for the State to conduct an ACP suppression program, focusing on treatment of individual properties. More recent ACP infestations, in areas such as Los Angeles County, are much more extensive and are likely to pose a challenge in responding with the type of suppression program carried out in San Diego County. APHIS continues to work with the State, county, and the industry in California to contain and suppress the ACP populations in Los Angeles County in the most logical manner. In addition, APHIS continues to coordinate with the Government of Mexico to implement a similar program in the adjacent border region of Baja California to reduce the likelihood of ACP incursion into the United States from Mexico. At present we are pursuing a model similar to that used for Glassy Wing Sharp Shooter which has been successful in protecting the grape and wine industries of California from Pierce's disease.

In other States where ACP and Huanglongbing disease (HLB) have become established, the strategy is designed to provide safeguarding measures as part of the regulatory framework to prevent further spread of ACP and HLB. Meanwhile, USDA is dedicated to working with the scientific community around the world in the search for long-term practical solutions for citrus greening in the United States.

Question. What support does the Department need from the industry, citrus States, and Congress?

Answer. The citrus industry recognizes that they have a significant role in conducting inspections of their groves for ACP and citrus greening, and quickly reporting suspected detections to appropriate State and Federal officials. In addition, education activities conducted by the industry have emphasized the importance of complying with State and Federal regulations designed to prevent the spread of ACP and citrus greening. States with citrus have been cooperative in conducting surveys for ACP and citrus greening, and in establishing parallel quarantines in support of Federal regulatory actions. Industry and State and Federal governments are making significant investments in research.

Question. What steps is the USDA taking to stop the spread of the Psyllid across the border from Mexico? How is USDA working with the Mexican government to move the ACP infestation away from the border?

Answer. USDA is working closely with Mexico, including providing technical support and funding to Mexico to conduct survey, regulatory, and suppression activities, in particular in areas adjacent to citrus growing areas in the United States. We believe that this has been effective in reducing the extent of the ACP infestations on the Mexican side of the border, and thus reduced the number of infestations in adjacent U.S. areas. In addition, APHIS has provided technical training and resources to Mexico, enabling that country to conduct testing for the presence of citrus greening. A high percentage of ACPs that are found are being tested for the disease. These efforts allowed Mexico to confirm its citrus greening infestation in Yucatan State and take action to prevent its spread. Pest Alerts have been provided to Department of Homeland Security, Customs and Border Patrol to heighten surveillance for ACP and HLB.

Question. What resources are being committed by USDA to treat citrus greening (HLB)? What are the plans for developing resistant plants? What is the Department doing currently to research solutions and what are its plans for future research?

Answer. There is currently no treatment for HLB. There is a concerted effort on the parts of industry, citrus States, and USDA (APHIS, the Agricultural Research Service, and the Cooperative State Research, Education, and Extension Service) to carry out activities that range from the development of strategies to suppress Asian citrus psyllid populations with the intended purpose of reducing disease pressure on the crop to the development of resistant varieties using traditional and biotechnology based approaches. Biological control is being explored in the United States and in Mexico.

Question. Can you assure me that Plant Protection and Quarantine (PPQ) officers have adequately trained Customs and Border Patrol (CBP) inspectors to identify both adult and juvenile Asian citrus psyllids (ACP) on citrus trees as well as ornamental nursery plants such as Orange Jasmine that potentially host the pest?

Answer. All plants intended for planting that enter the United States are required to go through one of APHIS' 17 plant inspection stations where they are inspected by APHIS inspectors. CBP inspectors do not inspect live plants. However, APHIS has provided pest alerts to CBP for dissemination to all ports containing photographs of both juvenile and adult ACPs for use in inspecting shipments of citrus. CBP is focusing on citrus shipments from Mexico, where ACP is known to exist. However, citrus from Mexico must go through a commercial packinghouse to be eligible for import to the United States, and any psyllids present are generally removed during the washing process that the fruit goes through in the packinghouse. ACP is also associated with curry leaves, which are prohibited but sometimes intercepted in passenger baggage from India and other Asian countries. APHIS and CBP are working to ensure that such products are not overlooked, and APHIS will be holding a workshop near the end of calendar year 2009 for CBP inspectors on inspection processes and techniques aimed at ACP.

CALIFORNIA DROUGHT ASSISTANCE

Question. California is facing a multi-year drought. In the San Joaquin Valley, the most productive agricultural area in the Nation, over half a million acres of farmland have been fallowed. Unemployment in these communities is over 40 percent.

I commend you and Secretary Salazar for establishing a joint Federal Action Team on Drought, and I look forward to working with this team to assist the San Joaquin Valley and other drought-stricken areas of the country.

What is the Department doing to assist the farmers and farm workers of the San Joaquin Valley suffering due to the drought?

Answer. USDA has a number of programs that can provide assistance during drought situations. These programs include the Federal crop insurance program, the non-insured crop disaster assistance program, and the permanent disaster programs which were authorized in the 2008 Farm bill. These programs can provide compensation to producers whose farming operations are adversely impacted by drought. In addition, USDA programs have proven that with good planning, good management, and good information, farms and ranches can reduce the impacts of drought. For example, the USDA Joint Agricultural Weather Facility and National Water and Climate Center, along with the U.S. Departments of Commerce and Interior, and the National Drought Mitigation Center (NDMC) at University of Nebraska, Lincoln, help people prepare for and deal with drought. Additionally, we are well aware that drought impacts well beyond the boundaries of farms and ranches. Programs administered by our Rural Development agencies are available to assist communities whose drinking water supplies are impacted and can even provide assistance for drilling individual wells.

FROZEN FOOD SAFETY

Question. A New York Times article that appeared on May 15, entitled "For Frozen Entrees, 'Heat and Eat' Isn't Enough," explains that frozen food, such as pot pies, require additional cooking and testing on the part of the consumer before they are considered safe to eat. Labels on these frozen entrees require that the food be cooked to a uniform temperature of 165 degrees as measured by a meat thermometer. However, the author of the New York Times article found that this temperature was unreachable without burning the crust of the pot pie.

I am very concerned that producers of frozen entrees are placing the burden of food safety on consumers. Consumers of these products purchase them for convenience and with the belief that they are safe to eat.

Does the USDA's Food Safety Inspection Service (FSIS) allow frozen entrees such as pot pies to contain harmful pathogens at the time of purchase by the consumer? What steps does the FSIS take to make sure that producers reduce or eliminate the presence of pathogens in frozen entrees? Does the FSIS currently conduct inspections of food labels for frozen entrees that contain raw or uncooked ingredients, to ensure that the labels clearly indicate that the foods may contain pathogens without proper preparation?

Answer. Frozen entrees such as pot pies currently can be sold to consumers in either the ready-to-eat (RTE) or not-ready-to-eat (NRTE) form. RTE forms of these products must be free of detectable pathogens of public health concern at the time that the products are manufactured under Federal inspection. Such products may be heated by the consumer, prior to consumption, but the heating is only for palatability purposes because no pathogens are expected in the product. NRTE products are considered the same as a raw product (i.e., presence of microorganism, including pathogens, is minimized but non-detectable). Such product bears labeling identifying that the products are NRTE and require a full lethality treatment by the consumer in order to ensure safety.

Due to illnesses associated with this type of NRTE product, the industry was informed that the Salmonella hazard needs to be better controlled and that labeling alone cannot be the control. Labeling of such product must be truthful and not misleading. Guidance has been issued to manufacturers of this type of product, reminding them that the consumer cooking instructions must be validated as accurate and practical for the intended use.

Another type of NRTE product, i.e., NRTE stuffed poultry that appears RTE, has been more recently implicated in foodborne illnesses. Consequently, FSIS has been working with the industry on this matter and is committed to continuing this collaboration before implementing action to force more aggressive controls to ensure that detectable Salmonella is not present in the finished product. There is no specific timeline; however, the industry will have ample time between being provided the guidance on addressing and controlling Salmonella in the production of these products and regulatory action by the agency.

AGRICULTURAL INSPECTORS AT HOMELAND SECURITY

Question. Thousands of agricultural products enter California every day through the largest international airport on the West Coast, the largest seaport in the country, and the busiest international land port of entry in the world.

As you know, I have been very concerned about the transfer of agricultural inspections to the Department of Homeland Security.

APHIS controlled agriculture inspections prior to March 2003. But the responsibility was transferred to The Department of Homeland Security's Customs and Border Patrol (CBP) as part of the Homeland Security Act. Since then, reports indicate that the number and quality of inspections have dropped dramatically.

Although DHS has made a concerted effort to improve the number and quality of inspections, I remain concerned that agricultural pest detection has taken a back seat to the more traditional homeland security activities of counter-gun, drug, and terrorism efforts.

Are you satisfied with CBP inspections? Will you commit to working with Secretary Napolitano to improve the number and quality of these inspections for agricultural products entering our country?

Answer. I am certainly committed to working with Secretary Napolitano to ensure the agricultural inspection program at ports of entry is working effectively to protect U.S. agriculture. I am pleased to report that staffing levels at CBP have never been higher than they are at this time, and that APHIS and CBP are working together through a variety of mechanisms to improve the Agricultural Quarantine Inspection (AQI) program where needed. While the program has overcome many of challenges it faced just after the 2003 creation of the Department of Homeland Security (such

as the large number of vacancies in the inspection force), one area that APHIS and CBP have targeted for improvement is the inspection of international passenger baggage. Through the Joint CBP–APHIS Task Force, APHIS and CBP managers have developed an operational action plan focused on passenger baggage inspections.

Additionally, APHIS is holding workshops for agricultural inspectors focused on inspection procedures targeting specific pests. Two have already been held (focused on gypsy moth and Khapra beetle), and a workshop focusing on the Asian citrus psyllid is planned for the end of calendar year 2009. APHIS and CBP have also formed a joint task force on exotic fruit flies in response to the large number of detections of a variety of fruit fly species (including several not detected in the United States prior to this summer) in California this year. The task force will look at pathways the pest may be using and develop inspection policies and techniques to address them. The two agencies are also working to increase the number of canine teams deployed at ports of entry, primarily focusing on recruiting inspectors for canine teams. I believe these and other cooperative efforts demonstrate the two agencies' commitment to working together to ensure an effective AQI program.

DOWNER CATTLE

Question. I remain concerned about inhumane practices in slaughter houses and the safety of our food supply. In the fiscal year 2009 Omnibus Appropriations Act, Congress provided funding for 120 full-time staff dedicated solely to inspections and enforcement related to the Humane Methods of Slaughter Act.

As of today, how many full-time inspectors does the Food Safety and Inspection Service have that are dedicated solely to enforcement of the Humane Methods of Slaughter Act? If you have not yet filled all 120 spots, when will these spots be filled?

Answer. The fiscal year 2009 Omnibus Appropriations Act maintained the number of full-time positions (FTPs) dedicated to inspections and enforcement related to the Humane Methods of Slaughter Act (HMSA) to no fewer than 120. Because HMSA tasks are not performed by a single person at an establishment, FSIS instead measures in full-time equivalents (FTEs), which refers to hours spent performing these tasks equivalent to 80 hours a pay period, projected out to a year. As of June 2, 2009, FSIS has measured 110 FTEs for fiscal year 2009, and estimates that there will be at least 140 FTEs by the end of this fiscal year.

COUNTRY OF ORIGIN LABELS

Question. I am concerned about the increasing number of country of origin labels (COOL) that identify multiple countries of origin on meat products. I fear that by over-using labels that contain multiple countries of origin, some producers may be compromising the integrity of the COOL label.

What oversight does USDA intend to conduct to assure the validity of these multiple country of origin labels and protect the value of the label for consumers?

Answer. USDA conducts enforcement reviews at retail facilities and trace-back audits on individual items observed during the initial retail reviews to verify the accuracy of the COOL claim. USDA is now conducting the fourth year of enforcement reviews at retail facilities nationwide. The first 3 years of enforcement reviews were limited by statute to fish and shellfish. As of fiscal year 2009, all covered commodities must comply with the regulatory requirements for COOL.

To "jump-start" COOL monitoring of all covered commodities during 2009 and into 2010, USDA and cooperating State agencies will conduct initial enforcement reviews at nearly 12,000 retail facilities and perform follow-up reviews at 2,000 retail facilities where significant non-compliances are found. In addition, USDA will conduct trace-back audits on 400 individual items observed during the initial retail reviews. The trace-back audit will track the selected covered commodity from retail back to the initiator of the COOL claim to verify accuracy.

Whenever non-compliances are found at the retail or supply chain level, USDA notifies the retailer or supplier in writing and ensures appropriate corrective measures are implemented. Complaints filed by consumers are also investigated and, if appropriate, action is taken to ensure the identified retailer complies with the COOL regulations.

The results of previous year review and audit findings (fish and shellfish only) are as follows:

Retail Reviews—Conducted by State Cooperators or USDA Reviewers

—Fiscal year 2006—1,159 retail stores reviewed—59 percent in full compliance;

—Fiscal year 2007—1,657 retail stores reviewed—67.5 percent in full compliance;

—Fiscal year 2008—2,000 retail stores reviewed—73 percent in full compliance.

Supplier Audits—Conducted by USDA Auditors
—Fiscal year 2007—47 items audited—82 percent in full compliance;
—Fiscal year 2008—50 items audited—95 percent in full compliance.

USDA conducted extensive outreach prior to and during the implementation of the COOL regulatory requirements to facilitate compliance by retailers and their suppliers. For example, during the past year, USDA officials have participated in 21 industry sponsored conference calls, 3 webinars and provided formal presentations at 33 trade association meetings and conferences. Additionally, USDA has resources in place to respond to telephone, e-mail and regular mail inquiries from producers, retailers, suppliers, consumers, media and other interested parties concerning the correct labeling of COOL covered commodities.

ALL NATURAL LABELS FOR POULTRY

Question. Under current regulations, poultry bearing the USDA approved "natural" label can be pumped full of foreign substances, such as saline. These birds are weighed after being filled with salt water, and the consumer ends up paying for more chicken than they receive. This practice also raises health concerns as consumers end up eating a product that has a higher salt content than if the poultry had not been manipulated. Does USDA intend to revisit the "natural" label to rein in such practices? Do you believe that a chicken breast pumped full of saline is natural?

Answer. As a required feature of labeling, the Department mandates that any addition of water and saline to poultry be included in the ingredient statement. Departmental regulations do not prohibit the addition of these components when truthfully labeled.

Regarding "natural" labeling, the Department is charged with regulating "natural" claims in labeling of products under its regulatory purview. We are taking the necessary time to carefully consider issues related to the use of "natural" claims and to decide upon the most appropriate course of action. Even though it remains unclear as to whether or not it will be possible to reach consensus among stakeholders on what "natural" should mean, it is our goal to make every effort to at least minimize areas of differences by seeking a discrete set of alternatives. While we decide how to proceed, companies are still free to submit labels for consideration, and each label which be judged on a case-by-case basis. The Department plans to publish a Federal Register advanced notice of proposed rulemaking on the use of the voluntary claim "natural" in the fall of 2009.

MILK INCOME LOSS CONTRACT PROGRAM

Question. As you know, the dairy industry has been exceptionally hard hit in recent months, and I want to thank you for implementing both the Milk Income Loss Contract program (MILC) and the Dairy Export Incentive Program (DEIP) to help Dairymen in California and across the country. The opening of these programs has been the only bright spot in what has been a very tough time for the industry.

However, I am concerned that the MILC program favors some regions of the country over others. In California we have larger farms than in other regions of the country, an average of roughly 1,000 cows per farm. These large dairies make our State the top milk producing State in the country.

But only the first 2.985 million pounds of milk are eligible for assistance from the MILC program per year. For an average California Dairy farm, this means that only about 15 percent of their milk output is eligible for MILC assistance. This puts California dairymen at a comparative disadvantage with other smaller-farm dairy operations across the country.

How do you plan to address this disparity?

Answer. The Milk Income Loss Contract program limits on eligible production are specified by the 2008 Farm bill. Thus, the Department has no flexibility to address disparity in regional impacts created by the eligible production limits in the MILC. However, California dairy farmers, as relatively efficient producers, do clearly and substantially benefit from the Dairy Product Price Support program and other measures the Department has taken to support the industry. So while the Department has little or no flexibility to tailor the national dairy programs to favor one region over another, California producers are not disadvantaged aside from the MILC production payment caps which affect large producers in all regions of the country.

REVENUE CAPS VS. INCOME CAPS

Question. It is my understanding that the President intends to begin using revenue caps, instead of the traditional income caps, to determine eligibility for direct farm subsidy payments.

I am concerned that using revenue caps will unfairly disadvantage farmers of high revenue, low income crops such as rice and cotton.

Can USDA structure a revenue cap to ensure that farmers of high expense crops will be not be prohibited from receiving direct subsidy payments?

Answer. The President's budget maintains the three-legged stool of farm payments, crop insurance, and disaster assistance. However, in keeping with the President's pledge to target farm payments to those who need them the most, the budget proposes a hard cap on all program payments of $250,000 and to reduce crop insurance subsidies to producers and companies in the delivery of crop insurance. While the budget includes a proposal to phase out direct payments to the largest producers, the Department is prepared to work with Congress and stakeholders as these proposals are considered.

MARKET ACCESS PROGRAM

Question. In recent years, the Market Access Program has provided California farmers with a vital source of monetary and technical assistance as they look to sell their products in foreign countries. In the 2008 Farm bill, Congress authorized $200 million in mandatory spending for this program; however, the President proposes cutting this program by 20 percent in his budget. Given this program's proven track record of success and widespread industry support, why was it singled out to be cut?

Answer. The President's budget included a series of proposed program terminations or funding reductions that would help reduce the size of the Federal deficit, one of which would have reduced funding for the Market Access Program. Those steps are necessary in order to restore fiscal discipline and lay the foundation for long-term growth and prosperity. They also would help to pay for other high priority initiatives included in the budget, such as healthcare reform, investments in education, and the development of alternative sources of energy.

Although annual funding for the Market Access Program would be reduced, the program would still provide assistance for overseas market promotion of $160 million per year. In addition, other export promotion programs, such as the Foreign Market Development Program and the Technical Assistance for Specialty Crops Program, would continue at their currently authorized funding levels.

QUESTIONS SUBMITTED BY SENATOR JACK REED

CATFISH INSPECTION PROGRAM

Question. Mr. Secretary, the 2008 Farm bill transferred the responsibility for inspecting catfish from the Food and Drug Administration to USDA. In doing so, the legislation requires that imported catfish come from countries whose inspection standards are equivalent to U.S. standards. It is my understanding that although USDA's inspection requirements are still being developed, the department is nonetheless required by statute to ensure that a foreign government has equivalent standards on the date when the USDA inspection regulations are finalized if catfish imports are to continue from that country. As a result, there is concern among seafood importers, including one in my State, that there will not be time for foreign countries to achieve formalized USDA equivalence, since that process could take years.

With that as background, do you believe that there is sufficient time to allow foreign governments to establish equivalent inspection regimes?

Answer. I believe that the legislation should be administered in a fair and equitable fashion that will best achieve the public health protection purposes of the legislation. Regardless of how the department ultimately defines catfish under the 2008 Farm bill provision, we have made it clear from the start UDSA's willingness to meet with exporting countries to assist them in initiating the equivalence process. Further, USDA is establishing its catfish inspection program in a manner that is consistent with our World Trade Organization obligations. USDA will notify interested U.S. trading partners when the proposed regulation is published to ensure that they have the opportunity to provide comments, just as we have already provided notification of the changes in the law regarding catfish inspection. We will also provide our trading partners with regular updates on the progress of the rule-

making process, as well as all possible technical and scientific assistance in helping them attain compliance and equivalence.

Question. Are any major catfish exporting countries seeking to establish equivalent standards for catfish? If so, will they be able to establish equivalence concurrent with USDA's new requirements?

Answer. To date, no foreign country has requested equivalency standards for catfish.

Question. Are you examining any temporary alternatives, such as direct inspection of foreign seafood operations, which might allow imports to continue while foreign governments try to achieve equivalent standards?

Answer. USDA's goals in developing the catfish proposed rule is to develop a program that maintains, if not improves, the public health protections of consumers and that is fair and equitable. In the proposed rule, we will lay out our thinking in this regard and seek public comment.

Question. Do you believe such measures would be sufficient to ensure the safety of the food supply?

Answer. The core of USDA's mission is to protect the public health, and in no case would we take an action that would not be sufficient to ensure the safety of the food supply.

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

CAP-AND-TRADE LEGISLATION

Question. Mr. Secretary, I want to highlight that agriculture producers have little ability to negotiate prices for input costs required to produce the final product. If enacted, cap-and-trade legislation is likely to result in higher costs for fertilizer and other inputs. If input costs increase, how do you expect production agriculture to benefit?

[Clerks Note: The following response is based on information available after the date of the hearing.]

Answer. USDA's preliminary analysis of costs and benefits on the agriculture sector uses energy price and other information contained in EPA's recent analysis of H.R. 2454. In the short term, the economic benefits to agriculture from cap-and-trade legislation will likely outweigh the costs. In the long term, the economic benefits from offsets markets easily trump increased input costs from cap-and-trade legislation. Let me also note that we believe these figures are conservative because we are not able to model the types of technological change that are very likely to help farmers produce more crops and livestock with fewer inputs. Second, the analysis does not take into account the higher commodity prices that farmers will very likely receive as a result of enhanced renewable energy markets and retirement of environmentally sensitive lands domestically and abroad. Of course, any economic analysis such as ours has limitations. But, again, we believe our analysis is conservative, and it is quite possible farmers will actually do better if the cap-and-trade legislation is enacted.

Additional information is provided for the record.

[The information follows:]

Looking first at the cost side, increases in fuel prices are expected to raise overall annual average farm expenses by about $700 million between 2012 and 2018, or about 0.3 percent. Annual net farm income as a result of these higher energy prices is expected to fall by about 1 percent. These estimates assume that in the short term farmers are unable to make changes in input mix in response to higher fuel prices so they likely overestimate the costs to farmers. Fertilizer prices will likely show little effect until 2025 because of the H.R. 2454 provision to help energy-intensive, trade exposed industries mitigate the burden that emissions caps would impose.

The agriculture sector also will benefit directly from allowance revenues allocated to finance incentives for renewable energy and agricultural emissions reductions during the first 5 years of the H.R. 2454 cap-and-trade program. Funds for agricultural emissions reductions are estimated to range from about $75 million to $100 million annually from 2012–2016.

To evaluate the potential impact on the agricultural sector further out in time, we first examine a simple case that allows producers to change the crops they grow but not how they produce them. This approach is conservative given the observation that energy per unit of output has drastically declined over the last several decades. Nevertheless, the estimated impact of the cap-and-trade provision of H.R. 2454 im-

plies a decline of annual net farm income of $2.4 billion, or 3.5 percent, in 2030 and $4.9 billion, or 7.2 percent, in 2048.

These estimates are likely an upper bound on the costs, because they fail to account for farmer's proven ability to innovate in response to changes in market conditions. Our analysis is also conservative because it does not account for revenues to farmers from biomass production for bioenergy. A number of studies have examined the effects of higher energy costs with models that allow for expected changes in production management practices and switching to bioenergy crops. Based on the analysis of Schneider and McCarl, for example, allowing for changes in input mix and revenues from biomass production—but without accounting for income from offsets, it is estimated that annual net farm income would increase in 2030 by about $0.6 billion or less than 1 percent. By 2045, annual net farm income is estimated to increase by more than $2 billion or 2.9 percent.

H.R. 2454's creation of an offset market will create opportunities for the agriculture sector to generate additional income. In particular, our analysis indicates that annual net returns to farmers range from about $1 billion per year in 2015–20 to almost $15–20 billion in 2040–50, not accounting for the costs of implementing offset practices. EPA has conducted its own analysis of returns from offsets that takes into account the costs of implementing land management practices. EPA's analysis projects annual net returns to farmers of about $1–2 billion per year from 2012–18, rising to $20 billion per year in 2050. It is important to note that EPA's analysis includes revenue generated from forest management offsets while USDA's does not.

RHS RECOVERY ACT IMPLEMENTATION

Question. I understand that Rural Housing Service has a backlog of over $2.4 billion in loan requests. Mississippi has a backlog of section 502 rural housing home ownership loans totaling $577 million and over 700 loan requests. This is the 8th highest in the Nation. The economic recovery act provided an additional $1 billion in loan authority for section 502. What is the status of implementation of recovery funds?

Answer. As of May 30, 2009, the Rural Development Single Family Housing Direct Program obligated $137.1 million of Recovery Act funding for 1,073 loans; and, the Guaranteed Program obligated $4.314 billion of Recovery Act funding for 36,093 loans. Rural Development is in the process of developing and implementing an "Outreach Initiative" that will provide relief and assistance to field offices in processing single family housing loans. Authorities and funding provided by the Recovery Act will be utilized to hire temporary employees and deploy them in geographic regions based on the population living in poverty in the persistent poverty counties of those regions.

Recovery Act provided an additional $1 billion in funding for the direct single family loan program. This funding has aided in reducing the backlog in applications that were maintained by the agency. However, in light of the first time home buyers tax credit Rural Development is currently experiencing a significant increase in demand for the single family direct loan program. The current back log totals $2.7 billion.

AFFORDABLE RENTAL HOUSING

Question. For the last several years, Congress has provided funding for revitalization of rural rental housing projects. At the same time, there is little in the way of funding for newly constructed rural rental housing. What is your view of the proper role for Rural Housing Service in meeting the need for affordable rental housing for families and seniors in rural America?

Answer. Funding provided by Congress to support revitalization efforts has helped us to address the processing demands of a large and rapidly aging Multi-Family Housing (MFH) portfolio financed by the Rural Housing Service (RHS). We would like to continue and expand those efforts.

However, there is a very real demand for new affordable rental housing in rural areas where housing needs are not being addressed by the market or other affordable housing funding programs. RHS can use the Section 515 direct lending program, coupled with rental assistance to assist tenants with the lowest incomes, the Section 538 guaranteed program, which has no tenant subsidy, to serve low and moderate income families, and our direct farm labor housing loan and grant program (Section 514/516) coupled with rental assistance, to serve farm workers that support our country's agricultural activities. These RHS MFH programs allow local communities to build affordable rental options into their housing infrastructure to keep and attract residents.

It is important to note that most new construction activity generated by RHS MFH programs is supplemented by funding from affordable housing partners. In many cases, this job creating third party capital financing would not be attracted to rural areas without the RHS MFH program to serve as a catalyst. In addition, for any affordable housing rental program to succeed in reaching those people or communities most in need, project based rental assistance is often a critical determinant.

QUESTIONS SUBMITTED BY SENATOR SUSAN COLLINS

DAIRY FARMERS

Question. Dairy farmers in the northeast are really struggling. I continue to hear from many of Maine's hard-working family farms who are barely surviving. Many of these families have been involved in the dairy industry for generations. The price farmers are receiving for their milk has plummeted as compared to just a year ago. The USDA has estimated that the average milk price will be $11.55 per hundredweight in 2009, as compared to the 2008 average price of $18.32 per hundredweight. The 2009 average price estimate of $11.55 would be the lowest average annual price received by dairy farmers since 1978.

I understand that there are a variety of factors affecting the price of milk and that the USDA has recently made efforts to assist dairy farmers through existing support programs. I know that you authorized the transfer of dairy products, purchased under the Dairy Price Support program, to domestic feeding groups, and that you activated the Dairy Export Incentive Program. I also am aware that the USDA began making payments under the Milk Income Loss Contract program in May.

While the steps you have taken thus far may be helpful in the short run, I am interested in what actions you are considering as a long-term solution. Under Section 1509 of the Farm bill, Congress authorized a blue ribbon commission to study Federal milk pricing system and recommend changes.

Have you considered long-term solutions to assist the dairy industry?

Answer. Yes, USDA is considering long-term solutions to the problems facing our dairy industry. [Clerk's note: The following response is based on information available after the date of the hearing.] On August 25, 2009, we announced the establishment of a Dairy Advisory Committee to analyze the issues facing the dairy sector. More specifically, the purpose of the Committee is to review the issues of farm milk price volatility and dairy farmer profitability and to provide suggestions and ideas to the Secretary on how USDA can best address these issues to meet the dairy industry's needs.

Question. When will you create the blue ribbon commission to study Federal milk marketing orders?

Answer. Establishment of the commission is subject to appropriations that have not been provided.

EMPOWERMENT ZONES

Question. In January 2002, USDA Rural Development designated a large portion of Aroostook County, Maine, as a Round III Empowerment Zone. This designation, based on Aroostook County's population out-migration, has helped provide applicants with additional points on grant applications and funds for economic development projects.

Economic development organizations and private sector companies in Aroostook have joined together to help stabilize, diversify, and grow the area's economy. This region's continued designation as an Empowerment Zone and the adequate funding of this program are critical for making capital investments, which are prerequisites for business attraction in distressed communities.

During these challenging economic times, it is particularly important that the Federal Government continue its commitment to our most distressed communities.

I was disappointed that the Administration's budget eliminates funding for Empowerment Zones. Can you explain why this effective program was cut in the budget?

Answer. The Department of Agriculture supports rural economic development through community infrastructure, utility, and housing loan and grant programs. The small Empowerment Zone and Enterprise Community (EZ/EC) program duplicates those programs. Communities designated as Rural EZ/ECs are qualified for the regular rural development programs, such as the Business and Industry Guaranteed Loan Program, the Self Help Housing and Development Loans and the Rural Water and Waste Disposal Programs which, in many cases, have set asides in those

programs. The Budget continues to provide funding to the EZ/EC communities through set asides from other Rural Development programs, totaling $27.6 million. These set asides have been included by the Congress in previous appropriations bills and are expected to continue. In addition, the authority for the EZ/EC program expires December 31, 2009.

RESOURCE CONSERVATION AND DEVELOPMENT COUNCILS (RC&DS)

Question. Can you explain why this effective program was cut in the budget?

The USDA's Resource Conservation and Development (RC&D) program provides important resources for many rural communities in Maine and around the country, advancing valuable local resource conservation and community development projects. RC&D-sponsored activities have led to more sustainable communities, better informed land use decisions, and sound management practices of our natural resources.

Maine's five RC&D councils have proven their effectiveness through a number of accomplishments. During fiscal year 2007, 56 new RC&D projects were approved and 40 projects were completed. In October 2008, the St. John Aroostook RC&D hosted a conference focusing on increasing energy diversity and independence and growing wind power generation in Maine. In addition, the Bangor RC&D has provided business development programs designed to help entrepreneurs create and grow a successful business.

One of the main benefits of the RC&D program is the promotion of local economies through the leveraging of Federal dollars. According to the National Association of RC&D councils, the RC&D program is one of the Federal Government's success stories with its ability to return $7.50 for every dollar the Federal Government invests to support economic development and resource protection in rural areas.

I was disappointed that Administration's budget eliminates funding for the RC&D program.

Answer. First begun in 1962, the program was intended to build community leadership skills through the establishment of RC&D councils that would access Federal, State, and local programs for the community's benefit. After 47 years, the program has matured to the point that this goal has been accomplished. RC&D councils should have developed sufficiently strong State and local ties to secure funding for their continued operation without Federal assistance.

MAINE FLOOD ASSISTANCE

Question. Last spring, as a result of heavy rains and record melting snow in northern Maine, the St. John and Fish Rivers overflowed, causing severe flooding in Aroostook County, resulting in major evacuations, displacement, and damaged housing for many residents. In May 2008, President Bush declared this region a Federal disaster after this historic flooding.

I am particularly concerned about funding needed to rebuild an apartment complex for low-income elderly and disabled residents of Fort Kent. Funding estimates indicate that rebuilding this critical facility will cost between $2–$3 million.

I worked to include report language in the fiscal year 2009 Omnibus, which urged USDA to assist with efforts to rebuild multi-family housing in Fort Kent, Maine, that was destroyed by this severe flooding.

What efforts has USDA taken to assist the community in its efforts to rebuild the USDA multi-family housing that was destroyed by the flood?

Answer. We are pleased to say that funding had been approved for these critical rehabilitation and replacement efforts during June of this year. Currently, all parties are involved with development and construction planning.

SUBCOMMITTEE RECESS

Senator KOHL. The subcommittee will stand in recess.

Secretary VILSACK. Mr. Chairman, thank you for your courtesies, and Senator Brownback, be reassured we will find out about that Tufts program because the Deputy Secretary comes from Tufts. I am hopeful she knows all about that, and if she does not, she is going to find out about it.

Senator BROWNBACK. She better.

Secretary VILSACK. Thank you.

[Whereupon, at 2:55 p.m., Thursday, June 4, the subcommittee was recessed, to reconvene subject to the call of the Chair.]

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2010

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

NONDEPARTMENTAL WITNESSES

[The following testimonies were received by the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies for inclusion in the record. The submitted materials relate to the fiscal year 2010 budget request for programs within the subcommittee's jurisdiction.]

PREPARED STATEMENT OF THE AD HOC COALITION

Mr. Chairman, Members of the Subcommittee, this statement is respectfully submitted on behalf of the ad hoc coalition composed of the organizations listed below. The coalition supports sustained funding for our Nation's food aid programs, including Titles I and II of Public Law 480, and therefore strongly opposes all proposals to divert funding away from these important programs.

FOOD AID'S UNIQUE ROLE

The donation of American commodities as food aid has been the cornerstone of United States and global foreign assistance programs since their inception. However, food aid has evolved in important ways over the years. Food aid began as an outgrowth of American farm policy that generated sizeable surpluses and American foreign policy characterized by a Cold War competition for the hearts and minds of impoverished populations across the globe. Since then, American farm policy has evolved away from surpluses, and therefore food can no longer be mischaracterized as "dumping" of excess commodities. Indeed, the United States now purchases commodities for donation on the open market. In today's economic climate, the need to provide societal stability, avoid failed States, prevent terrorist breeding grounds, and bolster America's image abroad has never been more important.

In recent years, debate in the foreign assistance community has at times questioned the role of food aid. Led by European Union trade negotiators who have complained about American food aid as a smokescreen to shield their own protectionist agriculture policies, some have bemoaned the potential distorting effects that food donations might have on local agriculture where U.S. food is disbursed. Other opponents of food aid have suggested that perhaps we would be better off if we did not donate commodities, but instead relied solely on agricultural development and local purchases. Like others in the aid community, we look forward to the day when food aid is no longer needed, but we are nowhere near that goal today. Our in-kind food aid programs are needed now more than at any time in their history.

Donated food aid is the most reliable means of introducing food to needy communities in order to combat hunger and save lives. This is not to say that other, creative means available under the Foreign Assistance Act or elsewhere have no role. To the contrary, these are an important part of the aid "tool kit", which can and should be employed to further developmental goals, including food self-sufficiency among food aid recipients and to address unforeseeable breaks in the food aid pipe-

line. But those that paint food aid as unnecessary and even harmful exhibit shortsightedness that does a great disservice to those we all strive to help.

The need for food aid today is stronger than ever. Hunger is a powerful destabilizing force, and America faces a convergence of terrorist and other security threats from failed and unstable states that feed on ill will toward our Nation. The U.N. WFP tells us that in recent years the food insecure have been hit by a "perfect stone of increases in food prices coupled with export restrictions imposed by traditional regional and local food exporters. Here at home, the economy has lost 5.1 million jobs since December 2007. U.S. food aid programs not only further our humanitarian and food security goals by allowing Americans to contribute to the needy in a tangible way, but the programs also provide stable jobs for Americans. These programs help us get more from our aid dollars both here and abroad.

THE SHARP DECLINE IN FOOD AID

Despite the broad, bipartisan support that food aid has long enjoyed, shipments declined by 71 percent, from 9.1 million tons in 1999 to a low of 2.7 million tons in 2007. These shipment levels are less than one-third of what they were a decade ago even though the most fragile communities now find themselves in the grip of an unprecedented food crisis. Therefore, we respectfully request that this steady erosion of food aid be reversed, and that funding be at least maintained at the $2.5 billion level appropriated in fiscal year 2008 to ensure the continued effectiveness and stability of these important and historically successful programs.

FOOD AID VERSUS CASH DONATIONS FOR "LOCAL AND REGIONAL PURCHASES"

Food for Peace, which provides farm products grown in the United States to millions overseas in bags marked "From the American People," is a clear and tangible sign of America's concern and generosity to its recipients. This same "in-kind" composition generates important economic benefits to our Nation—vital jobs in many industries, farm income, markets for agriculture processors, and revenue for American transportation providers and ports. It also generates Federal, State, and local tax revenues, as well as secondary economic effects, such as farm equipment purchases and farm family spending in our broader economy. For these reasons, a strong domestic constituency for food aid, in good economic times and bad, has sustained America's food aid programs through decades of competing funding priorities. As Secretary of Agriculture Vilsack said during the 2009 International Food Aid Conference, "[O]ur capacity to meet this extraordinary need [of global hunger] must start with a commitment to build a strong economy here in the United States. Without that strong economy, we cannot make a strong commitment to International Food Aid."

Furthermore, for decades American agriculture interests have provided a dependable source of high-quality nutritious food that is not always reliably available to local or regional markets. Given the ongoing food crisis for many nations, in terms of price, availability, and quality, and considering the recent actions by some food-exporting nations to halt food exports when domestic shortages occur, the amount and dependability of U.S.-produced food aid in Public Law 480 is crucial to our humanitarian assistance effort.

Using American taxpayer dollars to purchase foreign agricultural commodities would forego the unique benefits of U.S. food aid, such as predictable food aid supply and good American jobs, when our country and food-deficit areas need them most. Nevertheless, additional resources have already been directed to so-called "local and regional purchases": USAID was recently provided new funding of $125 million under the Foreign Assistance Act through the International Disaster and Famine Assistance Account and Congress also established a $60 million CCC-funded USDA pilot program in the 2008 Farm Bill to examine the potential dangers and benefits of this approach before considering further expansion of its use in conjunction with a strong in-kind food aid program centered around American commodities.

RESTORATION OF TITLE I/FOOD FOR PROGRESS

Recent focus has been upon Title II emergency food aid, but the Title I concessional sales food aid program is also an important tool in the aid "toolbox". In order to ensure that countries with the most dire need have sufficient donated food aid, the coalition recommends that USDA offer the Title I concessional sales program to countries that can afford it. Title I allows us to leverage our aid dollars, helping more people in need with our limited budget resources.

To the extent that the Title I funding truly cannot be used for concessional sales, it may be converted to donations on full grant terms through the Food for Progress ("FFP") program. There is strong demand for Title I funding channeled through

FFP: For fiscal year 2007, 100 proposals were submitted by PVOs and 16 by governments, but only 11 new proposals were approved.

CONCLUSIONS AND RECOMMENDATIONS

Mr. Chairman, the coalition is committed to maintaining the funding for America's food aid programs to meet humanitarian needs, enhance the potential for economic growth in recipient countries, and stimulate the economy here at home. Our recommendation is to increase, over time, annual food assistance with a blend of programs supported by direct appropriations and CCC program authorities. Specifically, the coalition respectfully recommends the following:

—Full funding of Title II at the $2.5 billion authorized by law, which is consistent with the fiscal year 2008 appropriation level.

—Title I/Food for Progress program levels should be restored to responsible levels so that the unique efficiencies of the program are not lost and more people can be fed.

—In committee report language, the Committee should reiterate its fiscal year 2003 directive to the administration to make greater use of existing CCC authorities to expand food aid to regions in critical need.

Public Law 480 Food for Peace is the world's most successful foreign assistance program, and has saved countless lives. Its straightforward delivery of American food to the hungry fills a clear and immediate need overseas, and its unique architecture has made it a successful program here at home that has endured for over fifty years. While we support creative efforts to address the root causes of hunger, we cannot emphasize enough that now, more than ever, the world needs Public Law 480 food aid.

Thank you, Mr. Chairman.

America Cargo Transport Corp.
American Maritime Congress
American Maritime Officers
American Maritime Officers' Service American Peanut Council
American Soybean Association
Global Food and Nutrition Inc.
International Organization of Masters, Mates & Pilots
Liberty Maritime Corporation
Maersk Line, Ltd.
Marine Engineers' Beneficial Association
Maritime Institute for Research and Industrial Development
National Association of Wheat Growers
National Corn Growers Association
National Council of Farmer Cooperatives
National Oilseed Processors Association
National Potato Council
Seafarers International Union
Sealift, Inc.
Tosi Maritime Consultants, LLC
Transportation Institute
United Maritime Group, LLC
U.S. Dry Bean Council
U.S. Dry Pea & Lentil Council
U.S. Wheat Associates, Inc.
USA Rice Federation

PREPARED STATEMENT OF THE AMERICAN FARM BUREAU FEDERATION

The American Farm Bureau Federation (AFBF) has identified five general areas for increased emphasis and funding for United States Department of Agriculture (USDA) programs in the fiscal year 2010 agriculture spending bill. They are:

—Programs that strengthen rural communities;

—Programs that improve USDA efficiency;

—Programs that enhance and improve food safety and protection;

—Programs that expand export markets for agriculture; and

—Programs that insure the availability of crop protection tools for food production.

Within these categories, we would like to call your attention to specific programs deserving of your support.

Programs that Strengthen Rural Communities

The lack of high-speed, modern telecommunications systems in rural America hinders its residents' access to educational, medical and business opportunities, and therefore the economic growth of rural America. We support $1.3 billion for loans and grants administered by the Rural Utilities Service to increase rural broadband capacity and telecommunications services and to fund the Distance Learning and Telemedicine Program.

Rural entrepreneurs often lack access to the capital and technical assistance necessary to start new businesses. These new ventures are needed for rural communities to sustain themselves and contribute to our national economy. AFBF supports funding for USDA Rural Development (RD) programs that foster new business de-

velopment in rural communities. These programs include Value-Added Agricultural Production Grants, Business and Industry Direct and Guaranteed Loans, and the Rural Microentrepreneur Assistance Program.

Many rural communities lack access to the tax base necessary to provide modern community facilities like fire stations. We support funding for RD's Community Facility Direct and Guaranteed Loans, which finance the construction, enlargement or improvement of essential community facilities in rural areas and towns with populations of less than 20,000.

Renewable energy production holds great promise as a means to help America's farmers and rural communities contribute to our national economy and enhance our national security. We support increasing funding for the Renewable Energy and Energy Efficiency Program (REEP) by $250 million. REEP offers grants, guaranteed loans and combination grant/guaranteed loans to help agricultural producers and rural small businesses purchase and install renewable energy systems and make energy efficiency improvements in rural areas.

The Revolving Fund (RFP) Grant Program helps communities acquire safe drinking water and sanitary, environmentally sound waste disposal facilities. With dependable water facilities, rural communities can attract families and businesses that will invest in the community and improve the quality of life for all residents. We support funding for this important program.

AFBF supports funding for and opposes any effort to eliminate the Resource Conservation and Development program. This vital program supports economic development and resource protection. This program, in cooperation with rural development councils, helps local volunteers create new businesses, form cooperatives, develop marketing and agri-tourism activities, improve water quality and flood control, improve leadership and other business skills and implement renewable energy projects.

We support full funding for Agriculture in the Classroom, a national grassroots program coordinated by the USDA. This worthy program helps students gain a greater awareness of the role of agriculture in the economy and society, so that they may become citizens who support wise agricultural policies.

Programs that Improve USDA Efficiency

Farm Bureau strongly supports providing an additional $250 million to USDA to improve computer technology in the Farm Service Agency (FSA). FSA currently operates on the oldest technology system within USDA and one of the oldest systems in the entire Federal Government. These outdated systems create enormous inefficiencies throughout the department, and it is unclear how long these antiquated systems can continue to support increasingly complex farm programs. Systems across agencies under USDA jurisdiction cannot communicate with each other, which could lead to improper payments and often requires duplicative paperwork and additional labor hours. Upgrading FSA computer technology now will lead to greater efficiencies down the road and could prevent a future system failure.

Programs that Enhance and Improve Food Safety and Protection

Americans spend more than $1 trillion annually on food—nearly half of it in restaurants, schools and other places outside the home. Consumers have a reasonable expectation that the food products they buy are safe. The continued safety of food is crucial to consumers, as well as production agriculture and the food industry. AFBF believes that sufficient, reliable Federal funding for the government's food and feed safety and protection functions is vital to this effort.

Therefore, we recommend that funding be increased for food protection at the Food and Drug Administration (FDA) and at the Food Safety and Inspection Service (FSIS) and directed to:

—Increased education and training of inspectors;
—Additional science-based inspection, targeted according to risk;
—Research and development of scientifically based rapid testing procedures and tools;
—Accurate and timely responses to outbreaks that identify contaminated products, remove them from the market and minimize disruption to producers; and
—Indemnification for producers who suffer marketing losses due to inaccurate government-advised recalls or warnings.

We also support authorized funding of $2.5 million for the Food Animal Residue Avoidance Databank (FARAD). FARAD aids veterinarians in establishing science-based recommendations for drug withdrawal intervals, critical for both food safety and animal health. No other government program provides or duplicates the food safety information FARAD provides to the public. Without the critical FARAD pro-

gram, producers may be forced to euthanize animals or dispose of meat, milk and eggs due to the lack of withdrawal information.

Programs that Expand Export Markets for Agriculture

AFBF supports funding at authorized levels for:

—Public Law 480 programs which serve as the primary means by which the United States provides needed foreign food assistance through the purchase of U.S. commodities. In addition to providing short-term humanitarian assistance, the program helps to develop long-term commercial export markets.

—The International Food for Education Program which is an effective platform for delivering severely needed food aid and educational assistance.

The Market Access Program, the Foreign Market Development Program, the Emerging Markets Program and the Technical Assistance for Specialty Crops program are effective export development and expansion programs. These programs have resulted in record increases in demand for U.S. agriculture and food products abroad and should be fully funded.

As trade increases between countries, so too does the threat of new invasive and noxious pests that can destroy America's agricultural and natural resources. Therefore, we support full funding for the following Animal Plant Health Inspection Service (APHIS) programs:

—The APHIS Plant Protection and Quarantine personnel and facilities, especially the plant inspection stations, are necessary to protect U.S. agriculture from costly pest problems that enter the United States from foreign lands.

—APHIS trade issues resolution and management activities are essential for an effective response when other countries raise pest and disease concerns (i.e., sanitary and phytosanitary measures) to prohibit the entry of American products. APHIS must be active at U.S. ports and in overseas locations to monitor pest and disease conditions, negotiate trading protocols and to intervene when foreign officials wrongfully prevent the entry of American imports.

—APHIS Biotechnology Regulatory Services (BRS) play an important role in overseeing the permit, notification and deregulation process for products of biotechnology. BRS personnel and activities are essential to ensure public confidence and international acceptance of biotechnology products.

Full funding for the Foreign Agricultural Service (FAS) is urgently needed to maintain services in an agency that has been significantly depleted in recent years. We urge continued support for the Office of the Secretary for cross-cutting trade negotiations and biotechnology resources.

The U.S. Codex Office is essential to developing harmonized international standards for food and food products. Codex standards provide uniformity in food rules and regulations by allowing countries to adopt similar levels of safety protection for consumers while concurrently facilitating transparency in food trade.

Programs that Insure the Availability of Information on Crop Protection Tools Used for Food Production

Farmers need access to reliable and affordable crop protection chemicals. Farm Bureau supports $8.4 million be provided to the National Agricultural Statistical Service (NASS), specifically for the continuation of agricultural chemical-use surveys for fruits, vegetables, floriculture and nursery crops. NASS surveys provide current and relevant data about the use of agricultural chemicals involved in the production of food, fiber and various horticultural products. The information collected helps USDA to conduct reliable analysis of product use and EPA to characterize the potential theoretical risks associated with agricultural chemical products. Only with reliable data can USDA and EPA accurately access the economic benefits of agricultural chemicals and make responsible decisions about product registration.

PREPARED STATEMENT OF THE AMERICAN HONEY PRODUCERS ASSOCIATION, INC.

Chairman Kohl and Members of the Subcommittee, my name is Kenneth Haff, and I currently serve as President of the American Honey Producers Association ("AHPA"). I am pleased today to submit the following statement on behalf of the AHPA, a national organization of commercial beekeepers actively engaged in honey production and crop pollination throughout the country. The purpose of this statement is to bring to your attention the continued threats faced by American beekeepers and the billions of dollars in U.S. agriculture that rely upon honeybee pollination services. With those threats in mind, we respectfully request an appropriation of at least $20 million to combat CCD and to conduct other essential honeybee research through the ARS and other agencies at the Department of Agriculture, as provided for in the 2008 Farm Bill.

As I speak to you today, U.S. beekeepers are facing the most extraordinary of challenges. Colony Collapse Disorder ("CCD") has continued to ravage bee colonies across the United States, moving from one hive to another in unpredictable patterns. The result has been the death of up to 90 percent of the bee colonies in affected apiaries. In early 2007, the National Research Council at the National Academy of Sciences characterized the beekeeping industry as being in "crisis mode"—a point echoed and re-emphasized in last year's USDA action plan regarding honeybee threats. Hundreds of news articles and many in-depth media reports have continued to chronicle the looming disaster facing American beekeepers and the producers of over 90 fruit, vegetable and fiber crops that rely on honeybee pollination. However, despite extensive and coordinated work by experts from government, academia and the private sector, the definitive causes of and solutions for CCD have yet to be identified.

The emergence of CCD shines a bright light on the inadequacies of current honeybee research, particularly on the lack of capacity to address new challenges and to take long-term steps to assure honeybee health. In saying this, we do not mean to diminish the vital, ongoing work of ARS and other honeybee scientists. They do their job and they do it very well. In recent years, however, honeybee research has become largely confined to four ARS laboratories that provide the first line of defense against exotic parasitic mites, Africanized bees, viruses, brood diseases, pests, pathogens and other conditions. Universities and the private sector have substantially scaled back their efforts due to a lack of available funds. Moreover, ARS laboratories lack sufficient resources even for current honeybee research priorities. For example, we understand that ARS currently lacks funds even to test high priority CCD samples that ARS scientists have already collected.

In past fiscal years, this Subcommittee has supported the beekeeping industry through funding for agricultural research activities. As you know, in the fiscal year 2003 cycle, the Subcommittee rejected a proposal that would have resulted in the elimination of three ARS laboratories that are indispensable to the survival of our industry. Again, in the fiscal year 2009 omnibus appropriations bill, Congress preserved funding for the Weslaco, Texas ARS research facility despite a recommendation in President Bush's fiscal year 2009 budget proposal to close that facility. Those were wise decisions. Without these labs, the American honeybee may not have survived the various above-mentioned threats, and the infrastructure would not exist today upon which an aggressive research campaign may continue to be built.

For fiscal year 2009, Congress appropriated an additional $800,000 in research funding specifically designated to combat CCD. We appreciate and support the increased funding for CCD research, and we sincerely thank this Subcommittee for its diligent attention to the crises before us. However, we believe strongly that an increase in $800,000 does not come close to meeting the growing demands imposed by CCD and other threats to honeybee health. Instead, to meet the needs of the American beekeeper and to stave off a pending agricultural crisis for growers and consumers, we respectfully urge the Subcommittee to appropriate $20 million in new research funds dedicated toward CCD and other honeybee health research projects. As you know, the 2008 Farm Bill included an authorization of $100 million over five years for such initiatives. A $20 million appropriation in fiscal year 20010 would reflect that authorization, and would provide government, academic and private sector researchers with the vital resources needed to combat CCD and other emerging threats and assure long-term honeybee health. Such funding would be a prudent investment in the U.S. farm infrastructure, which, along with U.S. consumers, derives tens of billions of dollars of benefit directly from honeybee pollination. Finally, in addition to the new and significant additional funding proposed for CCD research needs, we specifically suggest increased funding in the amount of at least $250,000 for promising honeybee genome research at the ARS laboratory in Baton Rouge. Genome research is likely to be central to resolving mysterious threats such as CCD and to ensuring bee health and productivity for generations to come.

THE IMPORTANCE OF HONEYBEES TO U.S. AGRICULTURE

Honeybees are an irreplaceable part of the U.S. agricultural infrastructure. Honeybee pollination is critical in the production of more than 90 food, fiber, and seed crops and directly results in more than $15 billion in U.S. farm output. The role of pollination is also vital to the health of all Americans given the dietary importance of fruit, vegetables and nuts, most of which are dependent on pollination. Honeybees are necessary for the production of such diverse crops as almonds, apples, oranges, melons, blueberries, broccoli, tangerines, cranberries, strawberries,

vegetables, alfalfa, soybeans, sunflower, and cotton, among others. In fact, honeybees pollinate about one-third of the human diet.

The importance of this pollination to contemporary agriculture cannot be understated. In fact, the value of such pollination is vastly greater than the total value of honey and wax produced by honeybees. More than 140 billion honeybees, representing 2 million colonies, are transported by U.S. beekeepers across the country every year to pollinate crops.

The importance of honeybees—and the U.S. honey industry which supplies the honeybees for pollination—is illustrated by the pollination of California's almond crop. California grows 100 percent of the Nation's almond crop and supplies 80 percent of the world's almonds. Honeybees are transported from all over the Nation to pollinate California almonds, which are the largest single crop requiring honeybee pollination. More than one million honeybee hives are needed to pollinate the 600,000 acres of almond groves that line California's Central Valley. Thus, nearly half of the managed honey-producing colonies in the United States are involved in pollinating California almonds in February and March.

Many other U.S. agriculture producers require extensive honeybee pollination for their crops, including blueberry, avocado, and cotton growers. Cattle and farm-raised catfish industries also benefit from honeybee pollination, as pollination is important for growing alfalfa, which is fodder for cattle and farm-raised fish. As OnEarth magazine has noted, the fate of California's almond crop rests "on the slender back of the embattled honeybee."

THREATS TO U.S. HONEYBEES

Since 1984, the survival of the honeybee has been threatened by continuing infestations of mites, pests and other conditions for which appropriate controls must continually be developed by scientists at the four ARS laboratories and other highly qualified research institutions. These longstanding and worsening infestations have caused great strain on the American honeybee to the point where some U.S. honey producers have felt the need—for the first time in over 80 years—to import bees from New Zealand and Australia for pollination. Ironically, scientists and industry leaders have since concluded that there is likely a correlation between the introduction of foreign bees and the emergence of CCD, the newest and greatest challenge to the survival of American honeybees.

However, the specific cause of CCD and treatments for it remain elusive to both beekeepers and scientists. The research is complex, as there are a wide range of factors that—either alone or in combination—may be causes of this serious condition. Areas for research include the stress from the movement of bees to different parts of the country for extensive commercial pollination, the additional stress of pollinating crops, such as almonds, that provide little honey to the bees, and the impact of certain crop pesticides and genetic plants with altered pollination characteristics. Continuing infestations of the highly destructive Varroa mite, combined with other pests and mites, are also thought to compromise the immune systems of bees and may leave them more vulnerable to CCD. At the same time, researchers will need to focus on the many reported instances in which otherwise healthy, pest-free, stationary bee colonies are also suffering collapse or problems with reproduction.

While researchers continue in their exhaustive effort to isolate the specific causes of CCD, the AHPA strongly urges the Congress to work with the Department of Agriculture to ensure that exotic bees and the threats they pose are restricted from importation into the United States. Under current law, the Department of Agriculture has the duty to refuse a shipment's entry into the United States where the export certificate identifies a bee disease or parasite of concern to the United States or an undesirable species or subspecies of honeybee, including the Oriental honeybee or "Apis cerana" (7 CFR § 322.6(a)(2) (2004)). In the case of Australian honeybees, officials in that country have detected the presence of the Apis cerana honeybee throughout their country, a species known to harbor parasitic mites and possibly viruses that do not currently exist in the United States. At the time of discovery, officials tracked a large number of Apis cerana bees, indicating that the species had been in Australia for some time without detection. While Australian officials claim to have quarantined these bees and destroyed hives known to contain them, we have heard reports that new discoveries have taken place since such claims by Australian officials, indicating an insufficient capacity by Australian officials to accurately assess risks. AHPA believes that this development allows no other conclusion but for the Department to suspend entry of Australian honeybees.

ONGOING AND NEW CRITICAL RESEARCH

AHPA, other industry officials, and leading scientists believe that an important contributing factor in the current CCD crisis is the longstanding, substantial under funding of U.S. bee research. In recent years, the Federal Government has spent very modest amounts at each ARS Honeybee Research Laboratory—for a sector that directly contributes $15 billion per year to the U.S. farm economy. Worse still, funding amounts have not been increased to account for growing bee health concerns. USDA honeybee researchers remain under funded. As noted above, current funding shortages have caused important CCD-related bee samples to go untested. Additionally, despite their ability to provide significant and innovative new research on emerging bee threats, researchers in the academic and private sectors also lack the necessary financial resources for these vital tasks. With the emergence of CCD, there is a serious gap between the threats faced by U.S. honeybees and the capacity of our researchers to respond. Closing this gap will require significant new resources. It is estimated that each new scientist, technician and the support materials that they need will cost an additional $500,000 per year.

To address these challenges, the AHPA respectfully requests an appropriation of at least $20 million to combat CCD and conduct other essential honeybee research. These funds should be allocated in accordance with authorizations provided in the 2008 Farm Bill. Specifically, the funds should be divided among the following Department of Agriculture agencies and programs: (1) the four ARS Bee Research Laboratories for new personnel, facility improvement, and additional research; (2) the Animal and Plant Health Inspection Service to conduct a nation-wide honeybee pest and pathogen surveillance program; (3) the ARS Area Wide CCD Research Program divided evenly between the Beltsville, MD and the Tucson, Arizona research laboratories to identify causes and solutions for CCD in affected States; (4) the Cooperative State Research, Education, and Extension Service at the Department of Agriculture to fund extension and research grants to investigate the following: honey bee biology, immunology, and ecology; honey bee genomics; native bee crop pollination and habitat conservation; native bee taxonomy and ecology; pollination biology; sublethal effects of insecticides, herbicides, and fungicides on honey bees, native pollinators, and other beneficial insects; the effects of genetically-modified crops, including the interaction of genetically-modified crops with honey bees and other native pollinators; honey, bumble, and other native bee parasites and pathogens effects on other native pollinators; and (5) the additional ARS research facilities in New York, Florida, California, Utah, and Texas for research on honey and native bee physiology, insect pathology, insect chemical ecology, and honey and native bee toxicology.

Since the beekeeping industry is too small to support the cost of needed research, publicly-funded honeybee research by the four ARS bee laboratories is absolutely key to the survival of the U.S. honey and pollination industry. For example, the pinhead-sized Varroa mite is systematically destroying bee colonies and prior to CCD was considered the most serious threat to honeybees. Tracheal mites are another contributing factor to the loss of honeybees. Tracheal mites infest the breathing tubes of adult honeybees and also feed on the bees' blood. The mites essentially clog the bees' breathing tubes, blocking the flow of oxygen and eventually killing the infested bees.

The industry is also plagued by a honeybee bacterial disease that has become resistant to antibiotics designed to control it, and a honeybee fungal disease for which there is no known treatment. These pests and diseases, especially Varroa mites and the bacterium causing American foulbrood, are now resistant to chemical controls in many regions of the country. Further, we have seen that these pests are building resistance to newly-developed chemicals more quickly than in the past, thereby limiting the longevity of chemical controls.

As previously mentioned, the cause or causes of CCD are unknown. Thus, pest, viral and bacterial disease research takes on added significance. First, pest, viral and bacterial disease research may itself provide insight into the discovery of CCD's root causes. Second, whether pests and bacterial diseases are directly a factor in CCD or not, they nonetheless continue to threaten bee population health and vitality. Given CCD's particularly devastating impact on bee populations, even greater emphasis must be placed on mitigating known threats in order to achieve the overall goal of ensuring adequate honey production and pollination capacity.

In addition to pest and bacterial disease research, the sequencing of the honeybee genome in 2006 at Baylor University has opened the door to creating highly effective solutions to bee health and population problems via marker-assisted breeding. Marker-assisted breeding would permit the rapid screening of potential breeders for specific DNA sequences that underlie specific desirable honeybee traits. The

sequenced honeybee genome is the necessary key that will allow scientists to discover the important DNA sequences. Additional funding for the ARS research laboratory at Baton Rouge will assure that this critically important work goes forward.

Because of the sequenced honeybee genome, it is now possible to apply molecular biological studies to the development of marker-assisted breeding of honeybees. Marker-facilitated selection offers the first real opportunity to transform the beekeeping industry from one that has been dependent upon a growing number of expensive pesticides and antibiotics into an industry that is free of chemical inputs and that is economically viable in today's competitive global marketplace. Additionally, this new sequencing capacity may prove central to identifying both the causes of and solutions to CCD. New pathogens have recently been identified in the United States that are thought to be associated with CCD. Genetic research can be utilized to determine whether a comparative susceptibility to such pathogens exists among various bee populations, and if so, can serve to facilitate breeding with enhanced resistance.

The four ARS Honeybee Research Laboratories work together to provide research solutions to problems facing businesses dependent on the health and vitality of honeybees. The key findings of these laboratories are used by honey producers to protect their producing colonies and by farmers and agribusinesses to ensure the efficient pollination of crops. Each of the four ARS Honeybee Research Laboratories (which are different in function from the ARS Wild Bee Research Laboratory at Logan, Utah) focuses on different problems facing the U.S. honey industry and undertakes research that is vital to sustaining honey production and assuring essential pollination services in this country. Furthermore, each of the four ARS Honeybee Research Laboratories has unique strengths and each is situated and equipped to support independent research programs which would be difficult, and in many cases impossible, to conduct elsewhere. Given the multi-factor research capacity needed to address the scourge of CCD, it is important that each research laboratory is permitted to continue and expand upon its unique strengths.

And while to date the four ARS Research Laboratories have been the backbone of American Honeybee research, we do not believe that those four facilities alone—even when fully funded—will have the capacity to meet today's research needs. This is why last year, after analyzing the new and serious threats to U.S. honeybees, Congress, representatives of the farm sector and leading researchers developed the research priorities that were incorporated into both the House and Senate versions of the Farm Bill and in separate House and Senate pollination legislation. In addition to increased resources for ARS research, these experts pressed for new funding, through CSREES, for government, academic and private sector research. They also urged new bee surveillance programs through the Animal and Plant Health Inspection Service to address the alarming lack of accurate information about the condition of U.S. bee colonies.

One particularly effective way of adding needed capacity and innovative expertise in the effort to ensure honeybee health would be to reinvigorate private sector and university bee research initiatives. For many years, these sectors played a vital role in honeybee research, and many leading universities have significant bee research capabilities. In recent years, non-federal agency research has substantially declined due to a lack of support for such initiatives. Funding the 2008 Farm Bill authorization of $10.26 million for the Department of Agriculture's Cooperative State Research, Education, and Extension Services (CSREES) would go a long way toward achieving this goal.

CSREES is tasked with advancing knowledge for agriculture by supporting research, education, and extension programs. Funds may be channeled through the Department to researchers at land-grant institutions, other institutions of higher learning, Federal agencies, or the private sector. The requested funding for CSREES would provide important flexibility in allocating badly needed Federal dollars among government, private sector and university researchers. The recipients would provide more widespread research on honeybee biology, immunology, ecology, and genomics, pollination biology, and investigations into the effects on honeybees of potentially harmful chemicals, pests, other outside influences, and genetically modified crops. The result of such funds would be to ensure flexible financing with a comprehensive plan for battling CCD, pests, and other ongoing and future honeybee threats.

Additionally, the same coalition of experts identified a need for a honeybee pest and pathogen surveillance program. Although significant data exists on American honey production, comparably less and lower quality data exists on beekeepers and bees. Providing $2.31 million under the 2008 Farm Bill authorizations to the Animal and Plant Health Inspection Service at the Department of Agriculture would allow the Department to utilize such data to better respond to pest and disease outbreaks, and to compile data that may better enable prediction of new threats. Given the

roughly $15 billion added to the U.S. farm economy each year by honeybees, this is certainly a worthwhile investment in the honeybee and pollinator industry.

INDUSTRY WORKFORCE VULNERABILITIES

Beekeeping is a highly skilled trade that requires extensive training before workers are able to handle, monitor, and treat bees. For nearly ten years, American beekeepers have relied heavily on Nicaraguan workers hired through the H–2A visa program to staff complex honey production and pollination operations.

Commercial beekeeping has become increasingly challenging in recent years with the emergence of new diseases and pests that threaten bee health, including American foul brood, tracheal and varroa mites, chalkbrood, and most recently, Colony Collapse Disorder (CCD). Nicaraguan H–2A beneficiaries are trained to identify these threats and to treat the bees skillfully and appropriately. Additionally, commercial beekeepers place hives on farms and ranches in hundreds of locations throughout multiple towns and counties, often in hard-to-find back road areas. Training new workers to find these hives and to comply with the requirements of landowners can alone take months. Finally, Nicaraguan workers are trained on a wide variety of equipment necessary to the industry, including honey extractors, forklifts, and large trucks used to haul equipment and bees to and from warehouses and apiaries.

Unfortunately, on December 18, 2008, the Department of Homeland Security published a final rule that changed existing law so that H–2A visa "petitions may only be approved for nationals of countries that the Secretary of Homeland Security has designated as participating countries." The list, published without advance warning names 28 "participating countries", including Belize, Costa Rica, El Salvador, Guatemala, and Honduras. Absent from the list is Nicaragua. And although the rule provides the Secretary of Homeland Security with discretionary authority to approve nationals from non-participating countries if it is "in the U.S. interest", this discretion has yet to be exercised with respect to beekeeper petitions. Without sufficient guidance on the "U.S. Interest" test, the effect will be to ensure that no Nicaraguan worker petitions are approved in 2009, forcing some beekeepers to close down operations.

The AHPA does not wish to question broader national security or immigration policy rationales for restricting the participating country list. However, in this instance, Nicaraguan workers have provided an invaluable service to America's honey production and pollination industries for nearly ten years. In all cases, the workers have returned to their home country at the end of the pollination season and the beekeepers who employ them have taken great strides to ensure that they comply with immigration and labor laws in petitioning the government for H–2A visas. Refusing approval this year will seriously limit America's pollination capacity, directly threatening $15 billion in U.S. agricultural interests.

CONCLUSION

In conclusion, we wish to thank you again for your past support of honeybee research and for your understanding of the critical importance of these ARS laboratories. By way of summary, in fiscal year 2010, the American Honey Producers Association strongly encourages at least $20 million in new funding for CCD and other honeybee research spread among the four ARS Honeybee Research Laboratories, other ARS research facilities across the country, the Cooperative State Research, Education, and Extension Service at the Department of Agriculture, and the Animal and Plant Health Inspection Service. AHPA also opposes importation of Australian honeybees and unnecessary denial of H–2A workers from Nicaragua. Only through critical research can we have a viable U.S. beekeeping industry and continue to provide stable and affordable supplies of bee-pollinated crops, which make up fully one-third of the U.S. diet. I would be pleased to provide answers to any questions that you or your colleagues may have.

PREPARED STATEMENT OF THE AMERICAN INDIAN HIGHER EDUCATION CONSORTIUM

Mr. Chairman and Members of the Subcommittee, on behalf of the American Indian Higher Education Consortium (AIHEC) and the 32 Tribal Colleges and Universities (TCUs) that compose the list of 1994 Land Grant Institutions, thank you for this opportunity to share our funding requests for fiscal year 2010.

This statement is presented in three parts: (a) a summary of our fiscal year 2010 funding recommendations, (b) a brief background on Tribal Colleges and Universities, and (c) an outline of the 1994 Tribal College Land Grant Institutions' plan

for using our land grant programs to fulfill the agricultural potential of American Indian communities, and to ensure that American Indians have the skills and support needed to maximize the economic potential of their resources.

SUMMARY OF REQUESTS

We respectfully request the following funding levels for fiscal year 2010 for our land grant programs established within the USDA Cooperative State Research, Education, and Extension Service (CSREES) and the Rural Development mission area. In CSREES, we specifically request: $5.0 million for the 1994 Institutions' competitive extension grants program; $3.0 million for the 1994 Institutions' competitive research grants program; $3.342 million for the higher education equity grants; $12 million payment into the Native American endowment fund; and in the Rural Development—Rural Community Advancement Program (RCAP), that $5.0 million be provided for each of the next 5 fiscal years for the TCU Essential Community Facilities Grants Program. The grants help to address the critical facilities and infrastructure needs at the colleges to increase our capacity to participate fully as land grant partners.

BACKGROUND ON TRIBAL COLLEGES AND UNIVERSITIES

The first Morrill Act was enacted in 1862 specifically to bring education to the people and to serve their fundamental needs. Today, 147 years after enactment of the first land grant legislation, the 1994 Land Grant Institutions, as much as any other higher education institutions, exemplify the original intent of the land grant legislation, as they are truly community-based institutions.

The Tribal College Movement was launched in the past 40 years with the establishment of Navajo Community College, now Diné College, serving the Navajo Nation. Rapid growth of the TCU Movement soon followed, primarily in the Northern Plains region. In 1972, six tribally controlled colleges established the American Indian Higher Education Consortium to provide a support network for member institutions. Today, AIHEC represents 37 Tribal Colleges and Universities—32 of which compose the current list of 1994 Land Grant Institutions located in 12 States. Our institutions were created specifically to serve the higher education needs of American Indian students in Indian Country. They serve many thousands of Indian full- and part-time students and community members from over 250 federally recognized tribes.

The 1994 Land Grant Institutions are accredited by independent, regional accreditation agencies and like all institutions of higher education, must undergo stringent performance reviews to retain their accreditation status. TCUs serve as community centers by providing libraries, tribal archives, career centers, economic development and business centers, public meeting places, and child and elder care centers. Despite their many obligations, functions, and notable achievements, TCUs remain the most poorly funded institutions of higher education in this country. The vast majority of the 1994 Land Grant Institutions is located on Federal trust territory. Therefore, states have no obligation, and in most cases, provide no funding to TCUs. In fact, most States do not even provide funds to our institutions for the non-Indian state residents attending our colleges, leaving the TCUs to assume the per student operational costs for non-Indian students enrolled in our institutions, accounting for approximately 20 percent of our student population. This is a significant financial commitment on the part of TCUs, as they are small, developing institutions and cannot, unlike their state land grant partners, benefit from economies of scale—where the cost per student to operate an institution is reduced by the comparatively large size of the student body.

As a result of 200 years of Federal Indian policy—including policies of termination, assimilation and relocation—many reservation residents live in conditions of poverty comparable to those found in Third World nations. Through the efforts of Tribal Colleges and Universities, American Indian communities are availing themselves of resources needed to foster responsible, productive, and self-reliant citizens. It is essential that we continue to invest in the human resources that will help open new avenues to economic development, specifically through enhancing the 1994 Institutions' land grant programs, and securing adequate access to information technology.

1994 LAND GRANT PROGRAMS—AMBITIOUS EFFORTS TO REACH ECONOMIC POTENTIAL

In the past, due to lack of expertise and training, millions of acres on our reservations lie fallow, under-used, or have been developed through methods that have caused irreparable damage. The Equity in Educational Land Grant Status Act of 1994 is addressing this situation and is our hope for future advancement.

Our current land grant programs remain small, yet very important to us. It is essential that American Indians explore and adopt new and evolving technologies for managing our lands. With increased capacity and program funding, we will become even more significant contributors to the agricultural base of the nation and the world.

Competitive Extension Grants Programs.—That The 1994 Institutions' extension programs strengthen communities through outreach programs designed to bolster economic development; community resources; family and youth development; natural resources development; agriculture; as well as health and nutrition education and awareness.

In fiscal year 2009, $3,321,000 was appropriated for the 1994 Institutions' competitive extension grants. The 1994 Institutions' ability to maintain existing programs and to respond to emerging issues such as food safety and homeland security, especially on border reservations, is severely limited without adequate funding. Increased funding is needed to support these vital programs designed to address the inadequate extension services that have been provided to Indian reservations by their respective state programs. It is important to note that the 1994 extension program does not duplicate the Federally Recognized Tribes Extension Program, formerly the Indian Reservation Extension Agent program. 1994 Tribal College Land Grant programs are very modestly funded. The 1994 Tribal College Land Grant Institutions have applied their ingenuity for making the most of every dollar they have at their disposal by leveraging funds to maximize their programs whenever possible. Some examples of 1994 extension programs include: Lac Courte Oreilles Ojibwa Community College in Wisconsin is strengthening the household economies of local reservation communities by offering financial education curriculum in managing budgets, saving for the future, and understanding the credit basics. Sitting Bull College, which serves reservation communities in both North and South Dakota, offers an equine extension program to help youth learn about the historical role of horses in American Indian Tribal life, while teaching them important leadership skills necessary to succeed in today's world. These are just two examples of the innovative programs being conducted at 1994 Institutions. To continue and expand these successful programs, we request that the subcommittee support this competitive program by appropriating $5.0 million to sustain the growth and further success of these essential community-based extension programs.

1994 Competitive Research Program.—As the 1994 Tribal College Land Grant Institutions enter into partnerships with 1862/1890 land grant institutions through collaborative research projects, impressive efforts to address economic development through natural resource management have emerged. The 1994 Research Program illustrates an ideal combination of Federal resources and tribal college-state institutional expertise, with the overall impact being far greater than the sum of its parts. We recognize the severe budget constraints under which Congress is currently functioning. However, the $1,610,000 appropriated in fiscal year 2009 is grossly inadequate to develop capacity and conduct necessary research at our institutions. The 1994 Research Program is vital to ensuring that TCUs may finally be recognized as full partners in the Nation's land grant system. Many of our institutions are currently conducting applied research, yet finding the resources to conduct this research to meet their communities' needs is a continual challenge. This research authority opens the door to new funding opportunities to maintain and expand the research projects begun at the 1994 Institutions, but only if adequate funds are secured and sustained. A total research budget of $1,610,000, for which all 32 of the 1994 Institutions compete for research dollars, is clearly insufficient. Priority issue areas currently being studied at the 1994 Institutions include: sustainable agriculture and forestry; biotechnology and bioprocessing; agribusiness management and marketing; plant propagation, including native plant preservation for medicinal and economic purposes; animal breeding; aquaculture; human nutrition (including health, obesity, and diabetes); and family, community, and rural development. The College of Menominee Nation in Wisconsin is collecting and analyzing data concerning forest health and sustainability that will help its tribal forest managers meet the growing demand for forest products while protecting the woodlands environment for future generations. Turtle Mountain Community College in North Dakota is studying the spread of West Nile virus, which causes serious diseases in animals and people. Results of the study will assist tribal efforts in the surveillance, prevention, and control of the mosquito-borne virus. These are just two examples of 1994 Research projects. We strongly urge the subcommittee to fund this program at a minimum of $3.0 million to enable our institutions to develop and strengthen their research capacity.

1994 Institutions' Educational Equity Grant Program.—This program is designed to assist 1994 Tribal College Land Grant Institutions with academic programs.

Through the modest appropriations first made available in fiscal year 2001, the TCU Land Grant Institutions have begun to support courses and to conduct planning activities specifically targeting the unique educational needs of their respective communities.

The 1994 Institutions have developed and implemented courses and programs in natural resource management; environmental sciences; horticulture; forestry; and food science and nutrition. This last category is helping to address the epidemic rates of diabetes and cardiovascular disease that plague American Indian reservations. We request that the subcommittee appropriate a minimum of $3,342,000 to allow the 1994 Tribal College Land Grant Institutions to build upon their course offerings and successful activities that have been launched.

Native American Endowment Fund.—Endowment installments that are paid into the 1994 Tribal College Land Grant Institutions' account remain with the U.S. Treasury. Only the annual interest yield, less the USDA's administrative fee, is distributed to the institutions. The latest gross annual interest yield for the 1994 Institutions Endowment was $3,929,412 and after the USDA takes its standard four-percent administrative fee, $3,772,236 should be available for distribution to the eligible 1994 Tribal College Land Grant Institutions by statutory formula. While the Department has not yet shared the breakdown of funds to be distributed to each of the 1994 Institutions for this year, last year the USDA administrative fee was larger than the amount paid to all but nine of the 1994 Tribal College Land Grant Institutions or in other words the USDA claims a fee that is higher than 70 percent of the 1994 Institutions' payments. Once the distribution amounts are determined for this year's disbursement, we fully expect similar results.

Just as other land grant institutions historically received large grants of land or endowments in lieu of land, this endowment assists 1994 Tribal College Land Grant Institutions in establishing and strengthening their academic programs in such areas as curriculum development, faculty preparation, instruction delivery, and to help address critical facilities and infrastructure issues. Many of the colleges have used the endowment in conjunction with the Education Equity Grant funds to develop and implement their academic programs. As earlier stated, TCUs often serve as primary community centers and although conditions at some have improved substantially, many of the colleges still operate under less than satisfactory conditions. In fact, most of the TCUs continue to cite improved facilities as one of their highest priorities. Several of the colleges have indicated the need for immediate new construction and substantial renovations to replace buildings that have long exceeded their effective life spans and to upgrade existing facilities to address accessibility and safety concerns.

Endowment payments increase the size of the corpus held by the U.S. Treasury and thereby increase the annual interest yield disbursed to the 1994 Tribal College Land Grant Institutions. These additional funds would continue to support faculty and staff positions and program needs within 1994 agriculture and natural resources departments, as well as to help address the critical and very expensive facilities needs at these institutions. Currently, the amount that each college receives from this endowment is not adequate to address both curriculum development and instruction delivery, and completely insufficient to address the necessary facilities and infrastructure projects at these institutions. In order for the 1994 Tribal College Land Grant Institutions to become full partners in this Nation's great land grant system, we need and, through numerous treaty obligations, are due the facilities and infrastructure necessary to fully engage in education and research programs vital to the future health and well being of our reservation communities. We respectfully request the subcommittee fund the fiscal year 2010 endowment payment at $12.0 million—returning the payment amount to the pre across-the-board rescission level imposed each year on nondefense appropriated funding. We also request that the subcommittee review the USDA's administrative fee and consider reducing it for the Native American Endowment so that more of these already limited funds can be utilized by the 1994 Tribal College Land Grant Institutions to conduct vital community based programs.

Tribal College Essential Community Facilities Program (Rural Development).—In fiscal year 2009, $3,972,000 of the Rural Development Advancement Program (RCAP) funds appropriated for loans and grants to benefit federally recognized American Indian tribes was targeted for essential community facility grants at Tribal College Land Grant Institutions. This level of funding is a decrease of about half of a million dollars from fiscal year 2007, when the program was appropriated $4.5 million—reduced to $4,419,000 by the across the board cut. We urge the subcommittee to designate $5.0 million each year of the next five fiscal years to afford the 1994 Institutions the means to aggressively address critical facilities needs, thereby allowing them to better serve their students and respective communities.

CONCLUSION

The 1994 Land Grant Institutions have proven to be efficient and effective vehicles for bringing educational opportunities to American Indians and the promise of self-sufficiency to some of this Nation's poorest and most underserved regions. The modest federal investment in the 1994 Tribal College Land Grant Institutions has already paid great dividends in terms of increased employment, access to higher education, and economic development. Continuation of this investment makes sound moral and fiscal sense. American Indian reservation communities are second to none in their potential for benefiting from effective land grant programs and, as earlier stated, no institutions better exemplify the original intent of the land grant concept than the 1994 Land Grant Institutions.

We appreciate your support of the 1994 Tribal College Land Grant Institutions and recognition of their role in the Nation's land grant system. We ask you to renew your commitment to help move our students and communities toward self-sufficiency. We look forward to continuing our partnership with you, the U.S. Department of Agriculture, and the other members of the Nation's great land grant system—a partnership with the potential to bring equitable educational, agricultural, and economic opportunities to Indian Country.

Thank you for this opportunity to present our funding proposals to the subcommittee. We respectfully request your continued support and full consideration of our fiscal year 2010 appropriations recommendations.

PREPARED STATEMENT OF THE AMERICAN PUBLIC POWER ASSOCIATION

The American Public Power Association (APPA) is the national service organization representing the interests of over 2,000 municipal and other state and locally owned utilities throughout the United States (all but Hawaii). Collectively, public power utilities deliver electricity to one of every seven electricity consumers (approximately 45 million people), serving some of the nation's largest cities. However, the vast majority of APPA's members serve communities with populations of 10,000 people or less.

We appreciate the opportunity to submit this statement outlining our fiscal year 2010 funding priorities within the jurisdiction of the Agriculture, Rural Development, Food and Drug Administration and Related Agencies Subcommittee.

Department of Agriculture: Rural Utility Service Rural Broadband Grants and Loans

APPA was pleased with the funding level of $2.5 billion in the American Recovery and Reinvestment Act for "grants, loans and loan guarantees, for broadband infrastructure in any area of the United States." APPA urges the Subcommittee to fully fund the Rural Utilities Service's (RUS) rural grant and loan programs at or above the stimulus levels.

APPA believes it is important to provide incentives for the deployment of broadband to rural communities, many of which lack broadband service. Increasingly, access to advanced communications services is considered vital to a community's economic and educational development. In addition, the availability of broadband service enables rural communities to provide advanced health care through telemedicine and to promote regional competitiveness and other benefits that contribute to a high quality of life. Approximately one-fourth of APPA's members are currently providing broadband service in their communities. Several APPA members are planning to apply for RUS broadband loans to help them finance their broadband projects.

Department of Agriculture: Title IX Programs

APPA supports full funding of programs authorized in Title IX of the 2008 Farm Bill for energy efficiency, renewable energy and biofuels. APPA requests the full fiscal year 2010 funding level of $60 million for the Rural Energy for America Program (REAP), $5 million for the Rural Energy Self-Sufficiency program, and $5 million for the Community Wood Energy Program.

PREPARED STATEMENT OF THE AMERICAN SOCIETY FOR MICROBIOLOGY

The American Society for Microbiology (ASM) is pleased to submit the following testimony on the fiscal year 2010 appropriation for the Food and Drug Administration (FDA) research and regulatory programs. The ASM is the largest single life science organization in the world with about 42,000 members. The ASM mission is

to enhance the science of microbiology, to gain a better understanding of life processes, and to promote the application of this knowledge for improved health and environmental well-being. The ASM recommends an appropriation of $2.25 billion for the FDA in fiscal year 2010, a $386 million increase over the fiscal year 2009 budget.

The FDA is responsible for the evaluation of domestic and foreign foods and consumer products to protect the public health and safety. Funding levels for sometime have significantly fallen below amounts needed to enable the FDA to fulfill its growing oversight for nearly one-quarter of the U.S. Gross National Product. The ASM appreciates the estimated $1 billion for food safety anticipated in the President's proposed fiscal year 2010 budget. However, serious budget shortfalls in the past have diluted FDA's ability to respond to escalating, often unmet demands on its personnel and resources not only in food safety, but also across the agency. Each year, the Nation spends nearly $1.5 trillion on FDA regulated goods. It is essential that FDA have state-of-the-art scientific capabilities and a fully staffed contingent of scientists if the United States is to maintain its economic competitiveness. FDA's mission is not only to ensure product safety but to also stimulate and facilitate innovation.

Since January, the FDA has approved new drugs for diabetes and malaria, a rapid diagnostic test to detect the avian influenza H5N1 virus in minutes rather than hours, and the first approved drug made with materials from genetically engineered animals. Threats to public health persist, including sporadic food borne illnesses linked to everyday foods like tomatoes, peanuts, and recently, alfalfa sprouts. FDA's regulatory responsibilities cover the bulk of U.S. domestic and imported foods, plus medical devices, drugs, food additives, blood and vaccine products, and cosmetics. Since 2001, its mission has also expanded to counterterrorism and homeland security. Several external reviews of FDA performance have confirmed in recent years that inadequate funding for the agency has undermined efforts to protect public health in the United States.

A SAFE AND SECURE U.S. FOOD SUPPLY DEPENDS ON FDA EXCELLENCE

Regulating food in the United States is an enormous task. Food expenditures exceed $1.1 trillion annually. In the past 5 years, the volume of imported products has doubled, with 60 percent categorized as food or food-related products, and is predicted to triple by 2015. Yet the FDA examined less than 1 percent of the 7.6 million fresh produce lines imported from fiscal years 2002 to 2007. This year, the Nation will import agricultural products worth an estimated $81 billion, continuing the steady trend of rising U.S. consumption of imported food. The number of identified food borne disease outbreaks has tripled since the early 1990s. Each year, about 76 million people contract a food borne illness in the United States, about 325,000 require hospitalization, and about 5,000 die. The U.S. Department of Agriculture (USDA) estimates medical costs and lost wages associated with just five of the major food borne illnesses reach $6.9 billion annually, and total costs are likely much higher. The Centers for Disease Control and Prevention (CDC) has enumerated more than 250 different food borne diseases and more causative agents continue to be found. FDA actions thus far this year have included the current recall of Salmonella-contaminated pistachio products; a consumer warning about certain cheeses that could contain Listeria monocytogenes, bacteria that can cause serious and sometimes fatal infections; and advisories to food preparers about possible norovirus in some domestic oysters.

As food moves from farm to table it encounters innumerable points for possible contamination, either accidental or deliberate. To mitigate failures in our highly complex food supply, the FDA's ongoing Protecting America's Food Supply initiative integrates food safety and food defense. In November 2007, the FDA launched its Food Protection Plan with a three-pronged strategy of expanded prevention, improved intervention, and more rapid response to events like disease outbreaks. The FDA also participates in the multiagency Action Plan for Import Safety, publishing in March its final rule on required prior notice of foreign food shipments arriving at U.S. ports. Unfortunately, these and other FDA food safety programs have been consistently underfunded to the detriment of public health.

The following are examples of FDA's enormous responsibilities:

—The FDA regulates about 80 percent of the U.S. food supply, responsible for $417 billion worth of domestic food and $49 billion in imported food annually.

—In the United States, the agency oversees more than 136,000 registered domestic food facilities (over 44,000 food manufacturers and processors, plus roughly 113,000 warehouses that include storage tanks and grain elevators).

—FDA personnel collaborate with staff at other Federal agencies and State and local authorities to regulate more than 2 million farms, 935,000 restaurants and institutional food facilities, and 114,000 supermarkets, grocery stores, and other food outlets.

—Over 300 U.S. ports receive products from more than 150 countries/territories. In the last decade, the number of food entry lines has tripled, shipped from approximately 200,000 FDA registered foreign facilities that manufacture, process, pack, or store food consumed in the United States.

In 2008, the CDC concluded that the incidence of the most common food borne illnesses had changed very little in the previous 3 years, a grim plateau in preventing diseases caused by Salmonella, Escherichia coli and other food borne pathogens. The disturbing report joined other official reports, expert committee reviews, and publicized disease investigations that abundantly demonstrate the importance of improving food safety in the United States. In November 2007, FDA's own Science Advisory Board published a highly critical report concerning the state of science at FDA and the ability to undertake its massive mission. Last September, the Government Accounting Office (GAO) published its negative review of the FDA's oversight of domestic and imported fresh produce, citing funding shortages and too few FDA inspectors as contributing factors.

Nationwide outbreaks of food-related illness grab headlines, exact high costs for the food industry, and force health officials to scramble to conduct the scientific detective work and implement preventive strategies to contain the problem. These outbreaks absorb significant FDA resources and personnel, like the far-reaching fallout from Salmonella-contaminated peanut products that is still rippling through the U.S. food industry. Health officials have reported more than 600 cases of disease tied to consumption of the suspect products, leading to the voluntary recall of more than 2,100 products in 17 categories by more than 200 companies, and the list continues to grow. In January, the FDA expanded the recall list to include pet food products that contain peanut paste made by the company, which has declared bankruptcy. The large number of products and brands, magnified by the large quantities of some products, makes this one of the most complex food recalls in U.S. history.

FDA OVERSIGHT OF DRUGS, VACCINES, AND DIAGNOSTICS PROTECTS U.S. CONSUMERS

Just as FDA's responsibilities in food safety have increased enormously over the past decade, so has its responsibility in other areas, especially drug safety, including adverse events as well as contamination both from microbial and chemical sources. We share the concerns detailed in the 2006 Report on Drug Safety and the Science Board Report.

The steady release of new therapeutic drugs, vaccines, and diagnostic tests by the U.S. private sector helps protect the Nation from infectious and other types of diseases. Several divisions within the FDA focus on evaluating both new and on-the-market products, assuring product safety and efficacy on behalf of health care providers, their patients, and the general public. Limited FDA budgets in recent years have not fully met the massive volume of responsibilities involved in this wide-ranging oversight, which includes detailed science-based lab analyses of new and established products, data assessment of incident reports, guidance statements and product alerts to the public and to health care providers, recall of unsafe products, and more.

Recent shortages of vaccines commonly used against rabies and Haemophilus influenza type b (Hib) have underscored the importance of FDA-approved vaccines regulated by the agency's Center for Biologics Evaluation and Research (CBER). Before development of Hib conjugate vaccines, about 20,000 U.S. children had Hib infections each year, including 12,000 cases of bacterial meningitis of which about 5 percent died. Since the Nation's Hib immunization program began in the early 1990s, incidence has decreased 99 percent. In developing countries, Hib remains a major cause of respiratory infections in infants and children. Unfortunately, a voluntary recall of Hib vaccine by a U.S. manufacturer in December 2007 resulted in shortages that have since been implicated in small Hib outbreaks in Minnesota and Pennsylvania. In June 2008, a French supplier of rabies vaccine temporarily halted production to upgrade its facilities, prompting U.S. officials to issue alerts regarding priority use of limited vaccine supplies. To maintain adequate immunization coverage, the FDA not only monitors already approved vaccines, but also evaluates the latest vaccine technologies. This March, the agency approved a vaccine to prevent Japanese encephalitis (JE) that was developed using cell culture technology, making it the only JE vaccine available in the United States. Found mainly in Asia, the viral disease affects about 30,000 to 50,000 people each year, resulting in 10,000 to

15,000 deaths. It is rarely seen in the United States, but there have been cases among those traveling to Asia.

FDA scientists who evaluate new products must be able to assess leading-edge product development methodologies. For example, CBER researchers just completed a "proof-of-concept" study of a test using nanotechnology to detect quickly the smallest amount of anthrax toxin. Based on research at the Center for Devices and Radiological Health (CDRH), the FDA approved in March the first DNA test that identifies the two types of human papillomavirus (HPV) responsible for the majority of cervical cancers among U.S. women. HPV is the most common sexually transmitted infection in the United States, causing more than 6 million new cases each year. The Center for Drug Evaluation and Research (CDER) assures that all prescription and over-the-counter drugs are safe and effective, overseeing a regulatory portfolio of many thousands of products. In 2007 alone, CDER approved nearly 80 drugs and biologics, a laborious process that demands singular scientific capabilities.

The FDA also plays a key role in addressing the issue of antimicrobial resistance through its initiatives on monitoring and surveillance of antimicrobial resistance, facilitating the appropriate use of products and tests for infectious diseases, educating the public and health professionals about safe and effective use of antimicrobials, and assuring accurate product labeling.

SCIENCE AT FDA NEEDS MORE RESOURCES, TRAINED PERSONNEL

The ASM is very concerned about the perceived weaknesses in FDA science and the possible negative impacts on the Nation's health. The 2007 Science Board report conducted a thorough external review of science and technology across the agency. It identified several problem areas within the agency where FDA science was not keeping pace with the private sector, for example, the expertise necessary to evaluate products related to nanotechnology, robotics, systems biology, and especially genomics. The report also indicted inadequate computing capabilities used for surveillance and incident reporting, and a dwindling workforce of those trained in science-based investigation and research. In the 2008 GAO report on FDA's oversight of fresh produce, the agency acknowledged that it lacks resources for funding crucial extramural or internal research to understand produce contamination by pathogens such as E. coli O157:H7 or Salmonella. The FDA remains the Nation's foremost regulatory agency, but optimal oversight of increasingly complex products and systems requires fully equipped FDA laboratories with leading-edge capabilities. This is of particular concern with regard to tissue based products and screening for adventitious infectious agents.

Research programs within the FDA focus on supporting the agency's regulatory role with the necessary science and technology tools. Understanding the latest advances in multiple scientific disciplines is essential for FDA regulators, evidenced by the agency's conclusion last year that meat and milk from clones of cattle, swine and goats are safe to eat, based on years of FDA study and analysis. The Center for Food Safety and Applied Nutrition (CFSAN) conducts food, cosmetic, and color additive safety research to protect the public from illnesses, contaminants, or other threats from consumer goods. Its scientists study the emergence or re-emergence of food borne microbial pathogens and evaluate or develop new lab methods needed to investigate outbreaks. The Office of Regulatory Affairs (ORA) also funds research activities to inform policy and regulation, plus contributing to the Nation's food defense efforts. ORA-supported research includes validation of detection methods for potential bioterrorism agents like Clostridium botulinum neurotoxin. The FDA has identified critical areas of needed research that include rapid test kit development, confirmatory methods, virology, biotechnology, in-vitro testing, and laboratory enhancement. To remedy these technological gaps, increased funding for FDA research is needed. As detailed in the 2007 Science Board Report, the continued underfunding of the Critical Path Initiative to bring FDA science into the 21st Century is a particular problem.

Last year, additional funding in the fiscal year 2009 budget did add more than 1,300 new skilled employees. The second hiring phase, with a target of 1,400 additional staff, is underway, including chemists, microbiologists, and medical officers. However, critical personnel needs still remain, especially in the filed of genomics, information technology, and risk communication. The agency also leverages resources through partnering with other stakeholders, for example, the National Center for Food Safety and Technology, a research consortium whose members investigate new molecular tools to study antimicrobial resistance among pathogens and other emerging food safety issues. In September, the FDA awarded $5.2 million in grants to various State and local agencies to enhance food and feed safety including the first Rapid Response Team cooperative agreements with six U.S. States to cre-

ate RRT teams able to respond to all food hazard incidents in the farm-to-table continuum. Also included were grants to upgrade chemistry labs to better analyze food samples collected by the FDA or other agencies, part of the ongoing effort to boost the surge capacity of State health department laboratories. However, this level of research funding is woefully inadequate given the cost of this type of research and the unfunded research priorities across the agency.

ASM RECOMMENDS A SUBSTANTIAL INCREASE IN FDA FUNDING

The ASM urges Congress to support the irreplaceable role of the Food and Drug Administration in protecting public health and safety. Repeated cautionary reports have warned of besieged and deteriorating FDA capabilities in the face of soaring imports, new product lines, and issues about drug safety. The ASM recommends $2.25 billion for the FDA appropriation in fiscal year 2010.

PREPARED STATEMENT OF THE AMERICAN SOCIETY FOR MICROBIOLOGY

The American Society for Microbiology (ASM) is pleased to submit the following testimony on the fiscal year 2010 appropriation for the U.S. Department of Agriculture (USDA) research and education programs. The ASM is the largest single life science organization in the world with more than 40,000 members. The ASM mission is to enhance the science of microbiology, to gain a better understanding of life processes, and to promote the application of this knowledge for improved health and environmental well-being.

The science based missions of the USDA, fueled by its research and education programs, are essential to human, environmental and animal health. The ASM strongly urges Congress to appropriate at least $1.24 billion for the Agriculture Research Service in fiscal year 2010, $1.24 billion for the Cooperative State Research, Education and Extension Service, and to provide $300 million for the Agriculture and Food Research Initiative (AFRI). Agriculture research plays an important role in the improvement of food safety, the environment, and animal and plant health but also contributes to the economic well-being of the nation. In a September 2007 report entitled: "Economic Returns to Public Agriculture Research," the USDA Economic Research Service (ERS) found that the average rate of return from public investment in agriculture research is an impressive 45 percent on the dollar. In reviewing more than thirty-five economic studies on the social rate of return, the ERS also found that such a high rate of return is shared by all levels of the agricultural continuum, from the producer to the consumer.

THE AGRICULTURE RESEARCH SERVICE (ARS)

The core research arm of the USDA, the ARS is divided into four National Programs that focus on critically important areas of agricultural research:

—Nutrition, Food Safety/Quality
—Animal Production and Protection
—Natural Resources and Sustainable Agricultural Systems
—Crop Production and Protection

Agricultural research is critically important to human and animal health. The ARS has funded a number of cooperative research projects related to zoonotic viruses including a study evaluating influenza vaccines in pigs and the establishment of a pig model from the 1930 H1N1 swine influenza. The ARS works to understand the biology of animal pathogens including the H1N1 swine virus to combat such outbreaks at the animal level and reduce the risk to humans. The USDA's Animal and Plant Health Inspection Service (APHIS) also works extensively with zoonotic virus monitoring which contributes to the knowledge base of the ARS.

The ASM urges Congress to fund the ARS with $1.24 billion in fiscal year 2010, a 4 percent increase from the fiscal year 2008 level.

Food Safety

The ASM supports the Administration's pledge to increase funding for food safety. The first step to ensuring a safe and plentiful national food source is to maintain a successful research platform.

Despite advances, food safety remains a serious and complex issue. Recent outbreaks of Salmonella Saintpaul demonstrate how quickly and severely pathogens can spread through the population. Understanding the cause of foodborne illness is an important step towards a better understanding of the ways to treat and prevent future outbreaks. According to the CDC, in the United States there are an estimated 76 million cases of foodborne illness each year, resulting in 325,000 hospitalizations and 5,000 deaths. Agricultural research is an irreplaceable tool in the

fight against foodborne illness as researchers supported by the USDA work to understand and prevent the transference of some types of bacteria from the food supply.

Recently, the CDC's Morbidity and Mortality Weekly Report stated that: "None of the Healthy People 2010 targets for reduction of foodborne pathogens were reached in 2008. The lack of recent progress points to gaps in the current food safety system and the need to continue to develop and evaluate food safety practices as food moves from the farm to the table." Increased funding for the ARS is critical to the prevention, treatment and understanding of foodborne illness, both current and future outbreaks.

Antimicrobial Resistance

The prevalence of antimicrobial resistance remains a threat to human and animal health as foodborne and other bacterial pathogens are increasingly changing and evolving to adapt to new antimicrobial agents. The USDA has supported a number of important research projects that bring together basic and applied research to combat this very real threat. Adequate funding for the USDA is vital to ensure such research continues as the occurrence of antimicrobial resistance increases.

Climate Change

The ARS supports projects that work to ensure the effects of global change on agriculture are understood and ways to mitigate risks are developed. The impact of global climate change and global warming trends on agricultural yields could be severe. Without adequate funding for the ARS, the impact of climate change on food production and plant health could be neglected, with disastrous results. Current research projects related to climate change include:

—Crop and Weed Responses to Increasing Atmospheric Carbon Dioxide
—Evaluating Effects of Nitrogen Deposition and Ambient Ozone on an Invasive Plant in the National Capitol Region
—Soil Carbon in Urban Environments

The ARS's Global Change National Program conducted a 5 year cycle of study from 2002—2007 to explore the effects of Global Change in depth. The programs' accomplishment report, conducted by non-ARS scientists, released in 2008 stated: "The ARS is poised as a leader in the field of global change research to help understand the impacts of global change on agriculture, enable agriculture to adapt to global change and reduce the impact of agriculture on factors affecting global change." The report also emphasized the need for continued and future research to combat the evolving and complex problems that arise with climate change. Continued and sustainable funding for the ARS will help to ensure that other such crucial research can be completed to further the understanding of climate change.

Cooperative State Research, Education and Extension Service (CSREES)

Soon to become the National Institute of Food and Agriculture (NIFA), CSREES works with land-grant universities, public and private organizations and supports research that increases understanding and knowledge of the unique link between the environment, agriculture and human health. Supporting research at the local and state level allows the CSREES to fund programs that impact not only scientific research, but local economies as well. The ASM urges Congress to appropriate at least $1.24 billion for the CSREES in fiscal year 2010, a 4 percent increase from the fiscal year 2008 level.

CSREES supports a number of important areas of interest categorized as National Emphasis Areas:

—Agricultural Systems
—Animals
—Biotechnology & Genomics
—Economics & Community Development
—Education
—Families, Youth & Communities
—Food, Nutrition & Health
—International
—Natural Resources & Environment
—Pest Management
—Plants
—Technology & Engineering

Climate Change

The effects of climate change are almost guaranteed to impact all life forms, and the research funded by the CSREES works to ensure that the best science is presented to offset such impacts. Supporting universities as well as public and private

organizations lends opportunity for the best science and research to become a part of the larger solution.

The buildup of CO_2 in the atmosphere has caused considerable concern as the negative effects of climate change are studied and understood. The Consortium for Agricultural Soils Mitigation of Greenhouse Gases, funded by the CSREES, is working to develop the technologies and strategies to successfully implement soil carbon sequestration and greenhouse gas reduction programs. Such initiatives are at the forefront of the race to find ways to combat the negative effects of global climate change. The CSREES support of such successful programs sends the message that climate change is an issue that needs collaboration from all science concentrations, especially from agricultural research.

Biofuels

Proven to be the most resourceful and sustainable alternative to fossil fuels, biofuels bring the promise of a cleaner and more efficient source of energy. Much like fossil fuels however, biofuels create a substantial amount of waste called Glycerin that is difficult to break down. The creation of waste has slowed the implementation of biofuels as a mainstream, alternative to traditional fossil fuels. A project funded by the CSREES however, has developed a fermentation technology that combines E. coli with glycerin to create a high value chemical reducing the existence of waste, as the chemical created can be used as a commodity on the domestic market. Such projects, as supported by the CSREES, are providing real-life solutions to problems once considered too daunting to tackle.

The Agriculture and Food Research Initiative (AFRI)

AFRI was established in the Food, Conservation, and Energy Act of 2008 as a competitive grants program aimed to support research, education and the extension of our nation's food and agricultural systems. Formerly operating as the National Research Initiative program (NRI), AFRI is the foundation of competitive grants within the USDA, supporting a focus on six core areas within the food and agricultural sciences:

—Plant Heath and Production
—Animal Health
—Food Safety, Nutrition and Health
—Renewable Energy, Natural Resources and Environment
—Agriculture Systems and technology
—Agriculture Economics and Rural Communities

AFRI moves the work of scientists past research and into development, implementation, education, and extension. Investments by the NRI in this type of research have resulted in a number of advances in critical issue areas such as, food safety, food security, sustainable fuel production and ecosystem health services. The importance of these programs on the overall health of the Nation cannot be underestimated. AFRI supports essential research with far reaching impacts into human, environmental and plant health, the basis of life.

Currently authorized at $700 million per year, the ASM strongly urges Congress to fund AFRI with at least $300 million for fiscal year 2010.

Education and Workforce

Investing in research at the USDA ensures that coming generations of researchers, educators and students have the opportunity to stay within the agricultural sciences and keep the Nation competitive on a global scale. Reduced or stagnant funding sends the detrimental message to the Nation's students and research scientists that agricultural and biological research is not a worthwhile field to pursue. This risks a very real and problematic "brain drain" compromising the status of the United States as a world leader in cutting edge scientific research. Ensuring funding for competitive grants programs and basic research will help to send the positive message that investing in agricultural and biological sciences is worthwhile.

Conclusion

The ASM urges Congress to increase research and education funding in the USDA budget, and provide at least $1.24 billion for the ARS, $1.24 billion for the Cooperative State Research, Education and Extension Service, and $300 million for AFRI in fiscal year 2010. Research in the agricultural and biological sciences is imperative to combat current and future threats to human, environmental, plant and animal health. The research supported by the USDA should be a priority that deserves steady, predictable and sustainable funding by the Federal Government. The future of our agricultural systems, a basis for human health, relies on it.

The ASM appreciates the opportunity to provide written testimony and would be pleased to assist the Subcommittee as it considers the fiscal year 2010 appropriation for the USDA.

PREPARED STATEMENT OF THE AMERICAN SOCIETY FOR NUTRITION (ASN)

The American Society for Nutrition (ASN) appreciates this opportunity to submit testimony regarding fiscal year 2010 appropriations for the U.S. Department of Agriculture (USDA) and specifically, its research programs. ASN is the professional scientific society dedicated to bringing together the world's top researchers, clinical nutritionists and industry to advance our knowledge and application of nutrition to promote human and animal health. Our focus ranges from the most critical details of research to very broad societal applications. ASN respectfully requests $1.377 billion for ARS, with $120 million of the total allocated to the Human Nutrition Research program. We request $300 million for the Agriculture and Food Research Initiative in fiscal year 2010.

Basic and applied research on nutrition, food production, nutrient composition, food processing and nutrition monitoring is critical to American health and the U.S. economy. Awareness of the growing epidemic of obesity and the contribution of chronic illness to burgeoning health care costs has highlighted the need for improved information on dietary intake and improved strategies for dietary change. Demand for a safer and more nutritious food supply continues to increase. Preventable chronic diseases related to diet and physical activity cost the economy over $117 billion annually, and this cost is predicted to rise to $1.7 trillion in the next 10 years. Nevertheless, funding for food and nutrition research at USDA has not increased in real dollars since 1983! This decline in our national investment in agricultural research seriously threatens our ability to sustain the vitality of food, nutrition and agricultural research programs and in turn, threatens the future of our economy and the health of our Nation.

USDA historically has been identified as the lead nutrition agency and the most important Federal agency influencing U.S. dietary patterns. Through the nutrition and food assistance programs, which form roughly 60 percent of its budget, USDA has a direct influence on the dietary intake (and ultimately the health) of millions of Americans. It is important to better understand the impact of these programs on the food choices, dietary intake, and nutritional status of those vulnerable populations which they serve. Research is the key to achieving this understanding, and it is the foundation upon which U.S. nutrition policy is built.

USDA is in full or in part responsible for the development and translation of Federal dietary guidance, implementation of nutrition and food assistance programs and nutrition education; and, national nutrition monitoring. The USDA Human Nutrition Research programs ensure nutrition policies are evidence-based, ensure we have accurate and valid research methods and databases, and promote new understanding of nutritional needs for optimal health.

ARS Human Nutrition Research Program

USDA has built a program of human nutrition research, housed in six centers (HNRCs)[1] geographically disperse across the Nation and affiliated with the ARS, which links producer and consumer interests and forms the core of our knowledge about food and nutrition. These unique centers are working closely with a wide variety of stakeholders to determine just how specific foods, food components, and physical activity can act together during specific life-stages (e.g. prior to conception, in childhood, in older adult years) to promote health and prevent disease. The HNRCs are a critical link between basic food production and processing and health, including food safety issues. The center structure adds value by fully integrating a multitude of nutritional science disciplines that cross both traditional university department boundaries and the functional compartmentalization of conventional funding mechanisms.

An important basic premise of research in the HNRCs is that many chronic diseases, such as diabetes and obesity, can be prevented by lifestyle issues, the most important of which are: consuming appropriate amounts of a well-balanced, healthful diet; and regularly engaging in adequate levels of physical activity. Using state-of-the-art facilities and a concentration of critical scientific teams, the HNRCs are conducting the highest quality translational research. Also of importance are the

[1] Of the six HNRCs, three are fully administered by ARS and are located in Davis, CA, Beltsville, MD, and Grand Forks, ND. The other three are administered through cooperative agreements with Baylor University Medical Center in Houston, TX; Tufts University in Boston, MA; and, the University of Arkansas in Little Rock.

long-term experiments involving the derivation of dietary reference intake values and nutrient requirements of individuals. Often compared to the intramural program at the National Institutes for Health, these centers tackle projects that are unlikely to be funded through other means, such as through competitive grants or by industry.

The flat-funding of ARS in fiscal year 2009, coupled with flat-funding of the Human Nutrition Research program for over 6 years, seriously jeopardizes the future of the centers, their important research projects, and the critical infrastructure provided by the USDA from which the HNRCs and scientists benefit. An estimated $10 million in additional funds is needed across the six HNRCs to ensure they can continue current research projects and to restore purchasing power lost to inflation over years of flat budgets.

Another example of the unique nutrition research at ARS is the nutrition monitoring program, "What We Eat in America" (WWEIA). This program allows us to know not only what foods Americans are eating, but also how their diets directly affect their health. Information from the survey guides policies on food safety, food labeling, food assistance, military rations, pesticide exposure and dietary guidance. In addition to having an impact on billions of dollars in Federal expenditures, the survey data leverages billions of private sector dollars allocated to nutrition labeling, food product development and production. Despite this, WWEIA has been flat-funded at $11.5 million for over 13 years. The USDA budget for WWEIA must be increased two-fold to $23 million. Otherwise, we risk losing this national treasure if we do not restore lost funding and strengthen it for the future.

Agriculture and Food Research Initiative Competitive Grants Program

The Food, Conservation, and Energy Act of 2008 established the Agriculture and Food Research Initiative (AFRI), a new competitive grants program authorized at $700 million annually, for research, extension, and education in support of our nation's food and agricultural systems within the soon-to-be-established National Institute of Food and Agriculture at USDA. This unique program, the successor to USDA's National Research Initiative (NRI) and the Initiative for Future Agriculture and Food Systems (IFAFS), takes research and innovation beyond the development phase, into implementation through contemporary education and extension programs.

AFRI now includes programs aimed to improve the Nation's nutrition and health which were previously funded by other mechanisms. The nutrition- and health-related research focuses on two objectives: (1) improving human health by better understanding an individual's nutrient requirements and the nutritional value of foods; and (2) promoting research on healthier food choices and lifestyles. For example, USDA-funded projects funded by the Human Nutrition and Obesity program have led to a better understanding of the behavioral and environmental factors that influence obesity, and to the development and evaluation of effective interventions. Specifically, USDA competitive grants have funded nutrition education interventions focusing on the reduction of childhood obesity in low-income families.

While ASN believes the program should be funded at its full authorization level of $700 million, we understand that in the current fiscal climate, that is unlikely. However, with the Nation and world facing unprecedented health, food security and nutrition challenges, now is the time to renew investment in our Nation's agricultural research enterprise. A strong commitment to AFRI of $300 million in fiscal year 2010 (exclusive of any funding identified for the former Section 406 programs), with a goal of $500 million in total funding by fiscal year 2015, will provide America's agriculture, food and nutrition scientists, land managers and farmers with the tools necessary to solve problems and keep the country competitive, while also protecting the natural resource base and environment, enhancing human nutrition and fostering vibrant rural communities.

The AFRI and the Human Nutrition Research Program under ARS are symbiotic programs that provide the infrastructure and generation of new knowledge that allow for rapid progress towards meeting national dietary needs. These programs allow USDA to make the connection between what we grow and what we eat. And through strategic nutrition monitoring, we learn more about how dietary intake affects our health.

ASN thanks your Committee for its support of the ARS and the AFRI Competitive Grants Program. If we can provide any additional information, please contact Mary Lee Watts, ASN Director of Science and Public Affairs, at (301) 634–7112 or mwatts@nutrition.org.

PREPARED STATEMENT OF THE AMERICAN SOCIETY OF PLANT BIOLOGISTS

On behalf of the American Society of Plant Biologists (ASPB) we submit this statement for the official record in support of increased funding for the U.S. Department of Agriculture's (USDA) National Institute of Food and Agriculture, specifically funding the Agriculture and Food Research Initiative at $300 million. This testimony highlights the importance of biology, particularly plant biology, as the Nation seeks to address vital issues including a sustainable food supply, climate change and energy security. We would like to thank the Subcommittee for its consideration of this testimony.

The American Society of Plant Biologists is an organization of more than 5,000 professional plant biologists, educators, graduate students, and postdoctoral scientists. A strong voice for the global plant science community, our mission—which is achieved through engagement in the research, education, and public policy realms—is to promote the growth and development of plant biology and plant biologists and to foster and communicate research in plant biology. The Society publishes the highly cited and respected journals Plant Physiology and The Plant Cell, and it has produced and supported a range of materials intended to demonstrate fundamental biological principles that can be easily and inexpensively taught in school and university classrooms by using plants.

FOOD, FUEL, CLIMATE CHANGE, AND HEALTH: PLANT BIOLOGY RESEARCH AND AMERICA'S FUTURE

Plants are vital to our very existence. They harvest sunlight, converting it to chemical energy for food and feed; they take up carbon dioxide and produce oxygen; and they are almost always the primary producers in the Earth's ecosystems. Indeed, basic plant biology research is making many fundamental contributions in the areas of fuel security and environmental stewardship; the continued and sustainable development of better foods, fabrics, and building materials; and in the understanding of basic biological principles that underpin improvements in the health and nutrition of all Americans. To go further, plant biology research can help the Nation both predict and prepare for the impacts of climate change on American agriculture, and it can make major contributions to our Nation's efforts to combat global warming.

In particular, plant biology is at the center of numerous scientific breakthroughs in the increasingly interdisciplinary world of alternative energy research. For example, interfaces among plant biology, engineering, chemistry, and physics represent critical frontiers in both basic biofuels research and bioenergy production. Similarly, with the increase in plant genome sequencing and functional genomics, the interface of plant biology and computer science is essential to our understanding of complex biological systems ranging from single cells to entire ecosystems.

Plant biology also has much to offer to our basic understanding of biology. Many common biological problems can best be addressed using plants. For example, plants cells are totipotent and, unlike animal cells, can be regenerated to whole plants. Many genetic studies are best done in plants due to the ability to analyze large numbers of individuals. Fundamental biological discoveries (e.g., the discovery of gene silencing) derive from initial studies in plants.

Despite the fact that plant biology research—the kind of research funded by USDA—underpins so many vital practical considerations for our country, the amount invested in understanding the basic function and mechanisms of plants is relatively small when compared with the impact it has on multibillion dollar sectors of the economy like energy, agriculture, health and nutrition.

RECOMMENDATIONS

ASPB, as a spokesperson for the plant science community, is in an excellent position to articulate the Nation's plant science priorities as they relate to agriculture. Our recommendations, in no particular order, are as follows:

—With the new Farm Bill and a new research structure, it is ASPB's hope that USDA will have an elevated role to play as part of the expanding Federal research landscape. USDA already funds research that is intended to provide a foundation for creating sustainable food and new energy supplies; however, much higher investment in competitive funding is needed if the Nation is to continue to make ground-breaking discoveries. ASPB strongly encourages the appropriation of at least $300 million in fiscal year 2010 for the Agriculture and Food Research Initiative (AFRI). ASPB encourages the full funding of $700 million to AFRI within 5 years. AFRI, authorized at $700 million, will play a vital

role in maintaining America's food and energy security through funding innovative research.

—Climate change is real and will have significant impacts on agriculture and our way of life for the foreseeable future. There are significant questions that must be answered as to how climate change will impact food production and the environment. There are also clear opportunities to use biological systems to ameliorate and respond to climate change, such as through carbon sequestration or modification of plants to resist environmental stress. Therefore, ASPB calls for additional funding focused on studies of the effect of climate change on agricultural cropping systems, basic studies of its effects on plant growth and development, and targeted research focused on modification of plants to resist climate change and for use in carbon sequestration.

—Current estimates predict a significant shortfall in the needed scientific and engineering workforce as the demographics of the U.S. workforce changes. For example, there is a clear need for additional scientists in the area of energy research and, also, plant breeding. USDA has not traditionally been a major funding agency for education and training, other than that which occurs through the funding of individual investigator and center grants. Given the expected need for additional scientists and engineers who are well-grounded in agriculture research and development activities, ASPB calls for funding of specific programs (e.g., training grants) that are targeted to provide this needed workforce over the next 10 years and to adequately prepare these individuals for careers in the agricultural research of the future.

—Considerable research interest is now being paid to the use of plant biomass for energy production. Progress in this area has been strongly affected by the "fuel vs. food" debate, which arose from the current emphasis on the use of corn for ethanol production. A response to this debate has been to switch the focus to plant species that can be grown exclusively for biomass (e.g., switchgrass, miscanthus, etc). However, if these crops are to be used to their full potential, considerable effort must be expended to improve our understanding of their basic biology and development, as well as their agronomic performance. These novel crops have not benefitted from many years of improvements in crop management and breeding that have been bestowed upon our current major crops (e.g., soybean, corn)—improvements that, among other things, have vastly increased yield and agronomic efficiency. Although efforts to improve targeted bioenergy crops are just beginning, very aggressive goals have been established for the use of these crops to meet the Nation's fuel needs. Therefore, ASPB calls for additional funding that would be targeted to efforts to increase the utility and agronomic performance of bioenergy crops.

—Although USDA has done some quality work with private foundations and other federal agencies such as the Department of Energy, more can be done. Earlier this year the National Science Foundation announced a partnership with the Bill and Melinda Gates Foundation on "Basic Research to Enable Agricultural Development (BREAD)," which will support basic research relevant to problems of agriculture in developing countries.

Because USDA should be at the forefront of agricultural discovery, ASPB would like to see USDA create similar programs and be a part of similar endeavors with either private foundations or other research agencies in the future.

Thank you for your consideration of our testimony on behalf of the American Society of Plant Biologists. Please do not hesitate to contact the American Society of Plant Biologists if we can be of any assistance in the future. For more information about the American Society of Plant Biologists, please see www.aspb.org.

PREPARED STATEMENT OF THE AMERICAN SOCIETY OF AGRONOMY, CROP SCIENCE SOCIETY OF AMERICA, AND SOIL SCIENCE SOCIETY OF AMERICA

The American Society of Agronomy (ASA), Crop Science Society of America (CSSA), and Soil Science Society of America (SSSA) are pleased to submit the following funding recommendations for fiscal year 2010. ASA, CSSA, and SSSA understand the challenges the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies faces with the tight budget for fiscal year 2010. We also recognize that the Agriculture Appropriations bill has many valuable and necessary components. We applaud the subcommittee's efforts to fund mission-oriented, critical research through the USDA-Cooperative State, Research, Education and Extension Service, its intramural research portfolio funded through the Agricultural Research Service as well as the conservation programs supported through the Natural Resources Conservation Service.

ASA, CSSA, and SSSA are particularly grateful to the subcommittee for funding the Agriculture and Food Research Initiative (AFRI), the new competitive grants program for research, extension, and education within USDA's Cooperative State Research, Education, and Extension Service at $201.5 million in the fiscal year 2009 Omnibus Appropriations bill. In fiscal year 2010, at a time when our Nation needs to respond rapidly to challenges which threaten our ability to safely produce and distribute food, feed, fuel, and fiber, we believe it is essential to continue to build our competitive research programs. For this reason, we recommend funding AFRI at $300 million in the fiscal year 2010 agriculture appropriations bill. We believe that funding AFRI at this level would be a strong step in support of these important systems, enabling effective development and distribution of information which will achieve the goals of agricultural production (thereby maximizing the benefits of agroecosystem processes) and environmental stewardship.

For the Agricultural Research Service (ARS), ASA, CSSA, and SSSA thank Congress for providing the agency with the much-needed investment of $176 million for buildings and facilities in the 2009 economic stimulus bill (Public Law 111–5). For fiscal year 2010, we recommend a funding level of $1,268 million or a 7 percent increase over the fiscal year 2009 enacted funding level. The ARS ensures that our Nation has a safe, reliable, and adequate supply of high quality food, feed, fiber and fuel.

For the Cooperative State Research, Education and Extension Service (CSREES), ASA, CSSA, and SSSA recommend a funding level of $1,444 million for fiscal year 2010, roughly an 18 percent increase over fiscal year 2009. Within CSREES we recommend an fiscal year 2010 funding level of $300 million for AFRI.

For fiscal year 2010, ASA, CSSA, and SSSA support a 7 percent or $75.5 million increase over fiscal year 2009 enacted funding level of $1,036 million for the Natural Resources Conservation Service (NRCS), which would bring total funding for NRCS to $1,108 million.

With more than 25,000 members and certified professionals, ASA, CSSA, and SSSA are the largest life science professional societies in the United States dedicated to the agronomic, crop and soil sciences. ASA, CSSA, and SSSA play a major role in promoting progress in these sciences through the publication of quality journals and books, convening meetings and workshops, developing educational, training, and public information programs, providing scientific advice to inform public policy, and promoting ethical conduct among practitioners of agronomy and crop and soil sciences. ASA and SSSA certified professionals—Certified Crop Advisers (CCA), Agronomists (CPAg) and Soil Scientists (CPSS)—are specialists who work in the field with farmers, providing technical advice about the agronomic practices—types and rates of fertilizer application, plant hybrid and variety selection, soil conservation, nutrient management, and integrated pest management—most appropriate to optimize crop yield and minimize environmental impact.

Agricultural Research Service (ARS)

ASA, CSSA, and SSSA applaud the Agricultural Research Service's (ARS) ability to respond quickly to rapidly changing national needs. ARS's 2,100 scientists located at 100 research locations accomplish scientific discoveries that help solve problems in crop and livestock production and protection and human nutrition, and ensure a sustainable interaction of agriculture and the environment. ARS National Programs focus on the importance, impact, and quality of ARS research in (1) Nutrition, Food Safety/Quality, (2) Animal Production and Protection, (3) Natural Resources and Sustainable Agricultural Systems, and (4) Crop Production and Protection. Increasingly, ARS through Cooperative Research and Development Agreements (CRADA) between Federal laboratories and businesses forms partnerships that help move new technologies to the marketplace. These partnerships are especially important to leverage during a time when our Nation's economy remains vulnerable and Federal funding is constrained. Such cooperative research and development helps foster American businesses and enhances the position of the United States as a global leader in food, feed, fiber, and fuel production.

ASA, CSSA, and SSSA find that research and technology transfer resulting from ARS programs ensures high-quality, safe food and other agricultural products; assesses the nutritional needs of Americans; helps to sustain a competitive agricultural economy; enhances the natural resource base and the environment; and provides economic opportunities for rural citizens, communities, and society as a whole. Again, ASA, CSSA, and SSSA recommend an ARS funding level of $1,268 million for fiscal year 2010, a 7 percent increase above the fiscal year 2009 enacted.

Cooperative State Research, Education, and Extension Service (CSREES)

ASA, CSSA, and SSSA find that the need has never been greater to enhance investment in Hatch and McIntire-Stennis formula funding. Therefore, ASA, CSSA, and SSSA recommend that both Hatch and McIntire-Stennis receive a 10 percent increase over the fiscal year 2009 enacted level of funding, bringing the combined funding level to $258 million for fiscal year 2010. If we are to maintain the research capacity at our Nation's Land Grant Universities and Colleges of Agriculture necessary to keep American agriculture and forestry competitive, while recognizing the potential of our managed systems to provide beneficial ecosystem services, we need concerted investment in capacity building at our institutions.

Agriculture and Food Research Initiative (AFRI).—ASA, CSSA, and SSSA strongly endorse a 49 percent increase in funding for the Agriculture and Food Research Initiative. The AFRI, established in the Food, Conservation, and Energy Act of 2008 (FCEA), is the successor to USDA's National Research Initiative (NRI) and the Initiative for Future Agriculture and Food Systems (IFAFS). ASA, CSSA, and SSSA find that funding AFRI at $300 million in the fiscal year 2010 agriculture appropriations bill (exclusive of any funding identified for Section 406 programs) will show a strong commitment to America's farmers and rural entrepreneurs.

Bioenergy Feedstock Research.—ASA, CSSA, and SSSA support funding of the Agricultural Bioenergy Feedstock and Energy Efficiency Research and Extension Initiative (Section 7207) of the Food, Conservation and Energy Act of 2008 (FCEA) at $25 million for fiscal year 2010. Section 7207 is a new program which closes the critical research gap between fundamental biological discovery and the reliable expression of new traits in the field. The research and extension projects under Section 7207 are critical to the future of the United States, and will improve agricultural biomass production using field observations. This is a nearly priceless step in translation of basic research. Furthermore, we applaud Congress for including $118 million in mandatory funding during the life of the FCEA for the Biomass Research and Development Initiative (BRDI). We are excited about the mandatory funding of the USDA portion of BRDI at $28 million for fiscal year 2010 and suggest that an additional $10 million in discretionary funding (it is authorized at $35 million) be placed towards this critical program for fiscal year 2010.

Sustainable Agriculture Research and Education Programs.—ASA, CSSA, and SSSA find the SARE Professional Development Program to be an effective program and support funding for the program at $4.92 million for fiscal year 2010. Additionally, we urge the Subcommittee to consider an increase in SARE core funding to bring total funding to $15.7 million for fiscal year 2010.

Higher Education.—ASA, CSSA, and SSSA urge the Subcommittee to fund the Institution Challenge Grants at $6.22 million for fiscal year 2010. We strongly support a fiscal year 2010 level of $4.24 million in funding for the Graduate Fellowships Grants; these grants enable us to train the next generation of scientific innovators.

Cooperative Extension Service.—Extension forms a critical part of research, education and extension program integration, a feature unique to CSREES. Unfortunately, recently the Smith Lever 3(b) and 3(c) account has been flat-funded (in constant dollars this account has seen a gradual erosion in funding). ASA, CSSA, and SSSA support $309 million in appropriations for fiscal year 2010, a $20 million increase over fiscal year 2009 enacted, for the continuing education and outreach activities supported by Smith-Lever 3(b) & (c) formula funds.

New Technologies for Ag Extension (NTAE).—eXtension is a national web-based information and education delivery system that provides direct public access to science-based educational resources. ASA, CSSA, and SSSA find that internet-facilitated outreach through extension and other New Technologies for Ag Extension (NTAE) programs provide invaluable consolidation and streamlining of information. These communication technologies help to highlight appropriate management, expediting the voluntary adoption of the best practices. ASA, CSSA, and SSSA recommend a 10 percent increase in appropriation for fiscal year 2010 for this program, bringing funding to $1.65 million.

Integrated Research, Education, and Extension Competitive Grants Program.—Section 406 was initially authorized in the Agricultural Research, Extension and Education Reform Act of 1998. Since its inception this program has proven to be an indispensible part of water and pest management and numerous other issues. ASA, CSSA, and SSSA support a funding increase of 7 percent for programs under Section 406, which would bring total funding to $44.92 million. Furthermore, we strongly suggest that the International Science and Education (ISE) Grants Program also receive a 7 percent increase, bringing ISE funding to $3.21 million for fiscal year 2010, and increasing the funding of total integrated activities to $60 million for fiscal year 2010.

Organic Farming Transition Program.—ASA, CSSA, and SSSA urge the Subcommittee to fund the Organic Farming Transition Program at $1.97 million in fiscal year 2010, an increase over fiscal year 2009 of 7 percent.

Natural Resources Conservation Service

For fiscal year 2010, ASA, CSSA, and SSSA support a 7 percent increase over the fiscal year 2009 enacted funding level of $1,036 million for the Natural Resources Conservation Service. This would bring total NRCS funding to $1,108 million.

Conservation Security Program.—The Conservation Security Program provides financial and technical assistance to producers who advance the conservation and improvement of soil, water, air, energy, plant and animal life, and other conservation purposes on Tribal and private working lands. ASA, CSSA, and SSSA applaud Congress for passing the FCEA which keeps this important working lands conservation program as an uncapped mandatory program. Further, ASA, CSSA, and SSSA encourage the Subcommittee not to cap appropriations for this program.

Environmental Quality Incentives Program.—The Environmental Quality Incentives Program provides technical assistance to eligible farmers and ranchers to address soil, water, air, and related natural resource concerns on their lands in an environmentally beneficial and cost-effective manner. ASA, CSSA, and SSSA support funding of this essential program at $1,337 million for fiscal year 2010.

In Summary

A balance of funding mechanisms for research, including intramural, competitive and formula funding, is essential to maintain the capacity of the United States to conduct both basic and applied agricultural research to improve crop and livestock quality, and deliver safe and nutritious food products, while protecting and enhancing the Nation's environment and natural resource base. In order to address these challenges and maintain our position in an increasingly competitive world, we must continue to support research, education and extension programs funded through the Agricultural Research Service and Cooperative State Research, Education, and Extension Service, and conservation programs supported by the Natural Resources Conservation Service. Congress must enhance funding for these programs to ensure that Americans have access to a safe and nutritious food supply and to provide for the next generation of research scientists, extension agents and educators. According to the USDA Economic Research Service (Agricultural Economic Report Number 735), publicly funded agricultural research has earned an annual rate of return of 35 percent. This rate of return suggests that additional allocation of funds to support research in the food and agricultural sciences would be highly beneficial to the U.S. economy. Finally, we must ensure support for CSREES-funded extension programs to guarantee that these important new tools and technologies reach and are utilized by producers and other stakeholders.

As you lead the Congress in deliberation on funding levels for agricultural research, extension, education and conservation programs, please consider American Society of Agronomy, Crop Science Society of America, and Soil Science Society of America as supportive resources. We hope you will call on our membership and scientific expertise whenever the need arises. Thank you for your thoughtful consideration of our requests. For additional information or to learn more about the American Society of Agronomy, Crop Science Society of America and Soil Science Society of America (ASA–CSSA–SSSA), please visit www.agronomy.org, www.crops.org or www.soils.org or contact ASA–CSSA–SSSA Director of Science Policy Karl Glasener (kglasener@agronomy.org, kglasener@crops.org, or kglasener@soils.org) or 202–408–5382.

Prepared Statement of the Animal Welfare Institute

USDA/APHIS/Animal Care (AC)/Animal Welfare Act (AWA) Enforcement

AWI Request: $22,275,270 (near-level funding)

Over the past decade, the subcommittee has responded to the urgent need for increased funding for Animal Care to improve its inspections of nearly 16,000 sites, including animal dealers, commercial breeders, laboratories, zoos, circuses, and airlines, to ensure compliance with Animal Welfare Act standards. AC now has 111 inspectors (with 5 vacancies in the process of being filled), versus 64 inspectors at the end of the 1990s. During fiscal year 2008, they conducted 15,600 inspections, including required annual visits to all research facilities that alone house over 1 million animals covered by the act. Moreover, AC inspectors engaged in extended, time-consuming follow-up with licensees/registrants regarded as problems because of the nature and frequency of their violations.

It is important to sustain the progress that has been made. This budget request of $22,275,270 provides a minimal increase over fiscal year 2009 to cover pay costs as well as the added responsibilities associated both with the growing number of licensed/registered facilities, and with enforcing the new Congressional ban on imports from foreign puppy mills.

APHIS/Emergency Management Systems/Disaster Planning for Animals

AWI Request: $1,001,000 (level funding)

In addition to their AWA inspections, Animal Care personnel help plan and coordinate disaster response efforts for companion and service animals. In 2008, they assisted with pet evacuation and recovery during Hurricanes Gustav and Ike and the California wildfires. These efforts are required by law—laws enacted in recognition of the implications for disaster response, as learned during Hurricane Katrina, when people refuse to evacuate because no plans have been made for their companion animals. This is an important effort, and the additional funding is needed so that it does not come at the expense of AC's other programs.

Agricultural Research Service/National Agricultural Library (NAL)/Animal Welfare Information Center (AWIC)

AWI Request: $1, 978,400

We very much appreciate the Subcommittee's strong support for the Animal Welfare Information Center, including placing it within the NAL's budget as a line item. AWIC's services are integral to the Nation's biomedical research enterprise, as well as to other regulated entities, because they facilitate compliance with Federal animal welfare regulations and policies governing animal-related research. The AWIC helps to improve the conduct of research, including the care provided to the animals who are used, thereby ensuring a reduction in variables that can skew the research. Better science is the end result.

Congress established AWIC under the Improved Standards for Laboratory Animals Act (the 1985 amendment to the Animal Welfare Act) to serve as a clearinghouse, training center, and educational resource for institutions using animals in research, testing, and teaching. The Center is the single most important resource for helping personnel at more than 1,200 United States research facilities meet their responsibilities under the AWA. Supported by a modest funding level, its services are available to everyone at these institutions, including animal technicians, research investigators, attending veterinarians, IACUC representatives, and the Institutional Official, as well as to other industries and regulated entities, USDA inspectors, and the general public.

AWIC provides data on the following: alleviating or reducing pain and distress in experimental animals (including anesthetic and analgesic procedures); reducing the number of animals used for research where possible; identifying alternatives to the use of animals for specific research projects; and preventing the unintended duplication of animal experiments. The Center collects, updates, and disseminates material on humane animal housing and husbandry, the responsibilities of Institutional Animal Care and Use Committees (IACUCs), animal behavior, improved methodologies, psychological well-being of primates, and exercise for dogs. Through the resources it provides to the research community and other animal industries, such as zoos, AWIC contributes significantly to science-based decision-making in animal care.

AWIC's website (http://awic.nal.usda.gov/) is one of the most accessed sites at the NAL, with an average of over 340,000 page-views per month in fiscal year 2008, a 12 percent increase over fiscal year 2007. It provides valuable information on issues of importance not only to the science community but also to the agriculture and public health communities, including BSE and avian influenza, two of the top areas of inquiry for visitors to its website. In fiscal year 2008, in addition to hundreds of millions of kbytes of information downloaded from the website, more than 82,000 hard copies (paper and CD) were distributed, an increase of 17 percent over fiscal year 2007. This includes the distribution of the AWIC Bulletin to over 7,000 requestors. AWIC staff provided over 2,000 personal reference services; conducted 7 sessions of its workshop "Meeting the Information Requirements of the Animal Welfare Act" at universities, pharmaceutical/research firms, and NAL itself; and conducted 22 exhibitions and/or presentations at various professional and scientific meetings, as well as for several visiting delegations at NAL.

AWIC expertise is also needed to address continuing deficiencies in IACUC oversight within research institutions. First identified some years ago in an OIG audit, USDA found IACUC-related violations 45 times in fiscal year 2007, and the primate abuse documented at the New Iberia Research Facility in 2008 provides fresh evidence of these problems. AWIC needs the funds to conduct more of its workshops,

and to achieve a long-sought objective of holding a symposium on AWA requirements for IACUC nonaffiliated members (i.e., members from the community charged with representing the communities' concerns for the animals).

Likewise, increased funding is necessitated by the expansion of AWIC's mandate to serve the broader industry regulated under the AWA: animal dealers, carriers and handlers, zoos and other exhibitors. Animal Care's veterinary medical officers and animal care inspectors are able to utilize the full range of AWIC's services to better fulfill their responsibilities. The AWIC works closely with Animal Care and with Emergency Veterinary Services on emerging crises such as the highly pathogenic avian influenza, and it also quickly responded to the current health emergency by adding a variety of information resources on the H1N1 virus to its website, its blog, and through Twitter.

Among other endeavors, the $1.978 million would be used as follows: The addition of two much-needed specialists to expand the content of the Center's database and make it more user-friendly and searchable; development of web-based training modules to provide online delivery of training opportunities; workshops, in conjunction with Animal Care, to assist licensees and registrants frequently cited for AWA violations; acquisition of, including electronic access to, data, including certain veterinary publications (the receipt of which was discontinued due to budget shortfalls); restoration of a grants program that could be used to update essential publications and manuals and translate them into Spanish for the growing number of Spanish-speaking animal care personnel in labs and zoos; and the overhead that must be provided to the Agricultural Research Service and the National Agricultural Library. (It should be noted that, after salaries and benefits, the largest single expense AWIC has is its overhead costs to ARS and NAL, which comprise over 13 percent of this funding request. This large expense substantially reduces the funds available for AWIC to conduct programs and provide services.)

AWIC's indispensability not only in assisting with compliance with the AWA but also in providing up-to-date information on a range of issues, from BSE to primate enrichment to the H1N1 virus, that are critical to the scientific and agricultural communities and the general public, justifies this modest proposed increase in its budget to enable it to meet growing demand for its expertise on multiple fronts.

Food Safety and Inspection Service (FSIS)/Humane Methods of Slaughter Act (HMSA) Enforcement

AWI Request: Sufficient Funds to Ensure Strengthened Enforcement of HMSA

We greatly appreciate Congress' past efforts to address USDA's egregious failure to enforce the Humane Methods of Slaughter Act. Despite these efforts, USDA has made no improvement in this area. This failure jeopardizes both animal welfare and consumer welfare.

Since 2001, Congress has provided millions in additional funds for humane slaughter enforcement, in part to be used to hire new in-plant employees to work full-time on HMSA enforcement only. However, to date, none have been hired solely to handle this responsibility.

An AWI report found that enforcement of humane slaughter law is a low priority within USDA. (Crimes without Consequences: The Enforcement of Humane Slaughter Laws in the United States. www.awionline.org/farm/pdf/SlaughterReport.pdf) Not much has changed since 2004, when the Government Accountability Office issued a report citing widespread animal welfare issues under USDA's watch. It appears that the agency ignored the report.

Between 2002 and 2005, only 42 enforcement actions beyond deficiency reports for noncompliance with humane slaughter laws were taken in the United States. But whistleblower accounts and undercover videotape documentation from inside slaughterhouses reviewed in the report suggest that the current low level of humane enforcement is not due to a lack of violations. Instead, crimes are either not observed or recognized by inspection personnel, not reported through the proper channels, or the appropriate remedial measures are not taken.

In 2008, undercover video obtained by an investigator from an animal protection group revealed abhorrent acts of cruelty to livestock at the Westland/Hallmark Meat Packing Company in Chino, Calif., raising both ethical and food safety issues.

In the wake of this case, suggestions have been made regarding the installation of video cameras as a deterrent. AWI urges Congress to reject any attempt by the department to use cameras in lieu of inspectors.

Inspectors must be able to observe animals from the time the truck arrives and animals are unloaded and moved, through the stunning and slaughter process, until the last animal on the vehicle is killed. Under the law, when an inspector sees an apparent violation, he/she is authorized to stop the line on the spot.

AWI is concerned with USDA's lack of commitment to enforcement. Congress must provide enough funding to allow FSIS to assign as many inspectors as needed to fully enforce the HMSA at all slaughter plants, but then it must exercise its oversight power to make sure that those inspectors are in fact tasked only with HMSA enforcement, are adequately trained, and that they understand their mission: To enforce the law and to ensure the humane and safe treatment of animals killed for human consumption, as mandated by the HMSA.

Office of Inspector General (OIG)/Animal Fighting Enforcement

AWI Request: $87,910,150 (near-level funding)

In 2007, violations of the AWA's animal fighting provisions, as well as the possession of related implements, became felonies. AWI supports funding OIG sufficiently to allow it to pursue animal fighting cases vigorously. Animal fighting is often associated with other violent crimes, thus posing a threat to the welfare of both animals and our communities. This level of funding is also needed to enable OIG to carry out audits and investigations to improve compliance with the Animal Welfare Act, the Humane Methods of Slaughter Act, the Horse Protection Act, and the downed animal rules.

APHIS/Animal Care/Horse Protection Act (HPA) Enforcement

AWI Request: $1 million

The goal of the Horse Protection Act, passed in 1970, is to end the cruel practice of soring, by which unscrupulous owners and/or trainers primarily of Tennessee Walking Horses intentionally inflict pain on the legs and hooves of horses, through the application of chemical and mechanical irritants, to produce an exaggerated gait. In 2008, the American Association of Equine Practitioners condemned soring as "one of the most significant welfare issues faced by the equine industry." Three Girl Scouts bravely documented the brutality of this crime in their video "See it through my eyes." (Available at www.youtube.com/watch?v=kqFeYu1CrjU)

Throughout its history, however, the law has been openly flouted and inadequate funding has hampered enforcement. Through a separate, joint statement with the Humane Society of the United States and others, we support a request for $1 million for HPA enforcement. This sum would allow government oversight at many more horse shows and greater investment in technologies (gas chromatography/mass spectrometry and thermography) that improve detection of sored horses. It should be noted that in fiscal year 2007, the use of GC/MS, which detects foreign substances used to sore horses, resulted in positive findings in 50 percent of the animals tested.

APHIS/Investigative and Enforcement Services (IES)

AWI Request: $14,036,350 (near-level funding)

The Investigative and Enforcement Services division of APHIS is essential to meaningful enforcement of the AWA and HPA. Among other things, it investigates alleged violations of the AWA and undertakes appropriate enforcement action. It handles more animal welfare cases as new facilities become licensed and registered and Animal Care conducts more inspections. Moreover, IES has seen an increase in its workload involving HPA-related activities.

PREPARED STATEMENT OF THE ANIMAL WELFARE INSTITUTE

Re: Request of $1,978,400 for the Animal Welfare Information Center

Dear Chairman Kohl and Ranking Member Cochran: Thank you for your interest in and efforts on behalf of the Animal Welfare Information Center (AWIC) at the National Agricultural Library (NAL). Previous efforts to eliminate AWIC have failed as a result of Congress' appreciation of the agency's value to the research community and it support for its programs.

The AWIC was established in 1986 in response to a mandate in the Improved Standards for Laboratory Animals amendment to the Animal Welfare Act (AWA). The Center serves as a clearinghouse, training center, and education resource for those involved in the use of animals for research, testing, and teaching (as well as other entities covered by the AWA), and the need and demand for its services continue to outstrip its resources. AWIC provides training and compiles, distributes, and posts on its website information resources from the scientific literature to assist researchers who use animals. The subjects covered include husbandry, handling, and care of animals; personnel training; animal behavior; alternatives; improved methodologies; environmental enrichment of non-human primates; and pain control

via anesthesia and analgesia. It also serves as a resource for the wider scientific and agricultural communities by providing access to material on zoonotic diseases such as avian influenza, transmissible spongiform encephalopathies, tuberculosis, and now the H1N1 virus. Its activities contribute significantly to science-based decision-making in animal care.

In fiscal year 2008, staff conducted seven sessions of AWIC's workshop, "Meeting the Information Requirements of the Animal Welfare Act" (evaluations of which are overwhelmingly positive, with participants indicating a high degree of new information acquisition), and presented 22 exhibitions and presentations. The AWIC website (http://awic.nal.usda.gov/) is one of the most accessed sites at NAL, with an average of over 340,000 page-views each month in fiscal year 2008, a 12 percent increase over fiscal year 2007. Many improvements to the website have been made in the past year, and more information on more subjects through more outlets is available.

Today we write in support of an appropriation of $1,978,400, which is urgently needed to fund, in addition to salaries and other expenses, AWIC's services and its ongoing efforts to improve their delivery:

—$50,000—Develop web-based training modules, including interactive modules, in order to provide online delivery of training opportunities.
—$36,000—Present workshops in cooperation with Animal Care to assist licensees/registrants frequently cited for AWA violations.
—$20,500—Internet services
—$13,900—AWIC staff training
—$200,000—Resume acquisition of veterinary publications that NAL discontinued 5 years ago, and increase the pace of indexing all such publications.
—$270,000—Overhead to ARS and NAL
—$50,000—Meet Congressional mandate to digitize more materials; in particular, scanning AWA-related documents going back to 1966
—$50,000—Restore a grants program that could be used to update Essentials for Animals in Research, as well as certain animal care manuals, and then translate them into Spanish; develop training DVDs, etc. In the past, this program yielded useful products, including the original Essentials for Animal Research: A Primer for Research Personnel (which was also translated into Spanish and is still among the top ten downloaded documents); a video on normal animal behaviors; and a training video on using animals in research. It also provided support for the first World Congress on Animal Use in the Life Sciences, and for the proceedings of conferences for the Scientists Center for Animal Welfare.
—$10,000—Convene a stakeholders meeting to assess AWIC's services and recommend steps for the future.
—$5,000—Translate the AWA and its regulations, and other documents, into Spanish.

The growing numbers of Spanish-speaking animal-care personnel in U.S. research facilities and zoos, as well as increasing interest on the part of scientific communities in Central and South America, have made the availability of Spanish-language materials a priority.

We hope that the new Administration recognizes how vitally important the AWIC's services are to the nation's biomedical research enterprise, and how essential it is to have a budget sufficient to support these services and technological improvements in their delivery. AWIC facilitates compliance with specific requirements of federal animal welfare regulations and policies governing animal-related research. In addition, it provides extensive research services for us, thereby greatly benefiting our work on animal research issues. We appreciate and look forward to a continued working relationship with the Animal Welfare Information Center and hope you will support our modest request for appropriations.

PREPARED STATEMENT OF THE COLORADO RIVER BASIN SALINITY CONTROL FORUM

The Congress concluded that the Colorado River Basin Salinity Control Program (Program) should be implemented in the most cost-effective way. The Program is funded by EQIP, the U.S. Bureau of Reclamation's (BOR) Basinwide Program, and a cost share for both of these programs provided by the Basin States. Realizing that agricultural on-farm strategies were some of the most cost-effective strategies, the Congress authorized a program for the United States Department of Agriculture (USDA) through amendment of the Colorado River Basin Salinity Control Act (Act) in 1984. With the enactment of the Federal Agriculture Improvement and Reform Act of 1996 (FAIRA), the Congress directed that the Program should continue to be implemented as one of the components of the Environmental Quality Incentives Pro-

gram (EQIP). Since the enactment of the Farm Security and Rural Investment Act (FSRIA) in 2002, there have been, for the first time in a number of years, opportunities to adequately fund the Program within the EQIP. In 2008, Congress passed the Food, Conservation, and Energy Act (FCEA). The FCEA addresses the cost sharing required from the Basin Funds. In so doing, the FCEA named the cost sharing requirement as the Basin States Program (BSP). The BSP will provide 30 percent of the total amount that will be spent each year by the combined EQIP and BSP effort.

The Program, as set forth in the act, is to benefit Lower Basin water users hundreds of miles downstream from salt sources in the Upper Basin as the salinity of Colorado River water increases as the water flows downstream. There are very significant economic damages caused by high salt levels in this water source. Agriculturalists in the Upper Basin where the salt must be controlled, however, don't first look to downstream water quality standards but look for local benefits. These local benefits are in the form of enhanced beneficial use and improved crop yields. They submit cost-effective proposals to the State Conservationists in Utah, Wyoming and Colorado and offer to cost share in the acquisition of new irrigation equipment. It is the act that provides that the seven Colorado River Basin States will also cost share with the Federal funds for this effort. This has brought together a remarkable partnership.

After longstanding urgings from the States and directives from the Congress, the USDA has concluded that this program is different than small watershed enhancement efforts common to the EQIP. In the case of the Colorado River salinity control effort, the watershed to be considered stretches more than 1,200 miles from the river's headwater in the Rocky Mountains to the river's terminus in the Gulf of California in Mexico and receives water from numerous tributaries. The USDA has determined that this effort should receive a special funding designation and has appointed a coordinator for this multi-state effort.

In recent fiscal years, the Natural Resources Conservation Service (NRCS) has directed that about $19 million of EQIP funds be used for the Program. The Colorado River Basin Salinity Control Forum (Forum) appreciates the efforts of the NRCS leadership and the support of this subcommittee. The plan for water quality control of the Colorado River was prepared by the Forum, adopted by the States, and approved by the United States Environmental Protection Agency (EPA). The Colorado River Basin Salinity Control Advisory Council has taken the position that the funding for the salinity control program should not be below $20 million per year. Over the last 3 fiscal years, for the first time, funding almost reached the needed level. State and local cost-sharing is triggered by the Federal appropriation. In fiscal year 2009, it is anticipated that the States will cost share with about $8 million and local agriculture producers will add more than $7 million. Hence, it is anticipated that in fiscal year 2009 the State and local contributions will be about 45 percent of the total program cost.

Over the past few years, the NRCS has designated that about 2.5 percent of the EQIP funds be allocated to the Colorado River salinity control program. The Forum believes this is the appropriate future level of funding as long as the total EQIP funding nationwide is more than $1 billion. Funding above this level assists in offsetting pre-fiscal year 2003 funding below this level. The Basin States have cost sharing dollars available to participate in funding on-farm salinity control efforts. The agricultural producers in the Upper Basin are waiting for their applications to be considered so that they might improve their irrigation equipment and also cost share in the Program.

Overview

The Program was authorized by the Congress in 1974. The Title I portion of the act responded to commitments that the United States made, through a Minute of the International Boundary and Water Commission, to Mexico specific to the quality of water being delivered to Mexico below Imperial Dam. Title II of the act established a program to respond to salinity control needs of Colorado River water users in the United States and to comply with the mandates of the then newly-enacted Clean Water Act. This testimony is in support of funding for the Title II program.

After a decade of investigative and implementation efforts, the Basin States concluded that the act needed to be amended. The Congress agreed and made a major revision to the act in 1984. That revision, while keeping the Department of the Interior as lead coordinator for Colorado River Basin salinity control efforts, also gave new salinity control responsibilities to the USDA. The Congress has charged the Administration with implementing the most cost-effective program practicable (measured in dollars per ton of salt controlled). It has been determined that the agricultural efforts are some of the most cost-effective opportunities.

Since Congressional mandates of more than three decades ago, much has been learned about the impact of salts in the Colorado River system. The BOR has conducted studies on the economic impact of these salts. The BOR recognizes that the damages to United States' water users alone are hundreds of millions of dollars per year.

The Forum is composed of gubernatorial appointees from Arizona, California, Colorado, Nevada, New Mexico, Utah and Wyoming. The Forum has become the seven-State coordinating body for interfacing with Federal agencies and the Congress in support of the implementation of the Salinity Control Program. In close cooperation with the EPA and pursuant to requirements of the Clean Water Act, every 3 years the Forum prepares a formal report evaluating the salinity of the Colorado River, its anticipated future salinity, and the program elements necessary to keep the salinity concentrations (measured in Total Dissolved Solids—TDS) at or below the levels measured in the river system in 1972 at Imperial Dam, and below Parker and Hoover Dams.

In setting water quality standards for the Colorado River system, the salinity concentrations at these three locations in 1972 have been identified as the numeric criteria. The plan necessary for controlling salinity and reducing downstream damages has been captioned the "Plan of Implementation." The 2008 Review of water quality standards includes an updated Plan of Implementation. In order to eliminate the shortfall in salinity control resulting from inadequate Federal funding for a number of years from the USDA, the Forum has determined that implementation of the Program needs to be accelerated. The level of appropriation requested in this testimony is in keeping with the agreed upon plan. If adequate funds are not appropriated, significant damages from the higher salt concentrations in the water will be more widespread in the United States and Mexico.

Concentrations of salts in the river cause well over $300 million in quantified damages and significantly more in unquantified damages in the United States and result in poorer quality water being delivered by the United States to Mexico. Damages occur from:

—a reduction in the yield of salt sensitive crops and increased water use for leaching in the agricultural sector,
—a reduction in the useful life of galvanized water pipe systems, water heaters, faucets, garbage disposals, clothes washers, and dishwashers, and increased use of bottled water and water softeners in the household sector,
—an increase in the use of water for cooling, and the cost of water softening, and a decrease in equipment service life in the commercial sector,
—an increase in the use of water and the cost of water treatment, and an increase in sewer fees in the industrial sector,
—a decrease in the life of treatment facilities and pipelines in the utility sector,
—difficulty in meeting wastewater discharge requirements to comply with National Pollutant Discharge Elimination System permit terms and conditions, and an increase in desalination and brine disposal costs due to accumulation of salts in groundwater basins, and
—increased use of imported water for leaching and cost of desalination and brine disposal for recycled water.

State Cost Sharing and Technical Assistance

The authorized cost sharing by the Basin States, as provided by FAIRA, was at first difficult to implement as attorneys for the USDA concluded that the Basin States were authorized to cost share in the effort, but the Congress had not given the USDA authority to receive the Basin States' funds. After almost a year of exploring every possible solution as to how the cost sharing was to occur, the States, in agreement with Reclamation, State officials in Utah, Colorado and Wyoming and with NRCS State Conservationists in Utah, Colorado and Wyoming, agreed upon a program parallel to the salinity control activities provided by the EQIP wherein the States' cost sharing funds are being contributed and used. We now have several years of experience with that program and with the passage of FCEA we now have a clear authority for this program that is now known as the BSP.

The act designates that the Secretary of the Interior provide the coordination for the Federal agencies involved in the salinity control program. That responsibility has been delegated to the BOR. The BOR administers the Basin States cost sharing funds that have been used in the Parallel Program. The BOR requested that there be enacted clearer authority for the use of these funds.

With respect to the use of Basin States' cost sharing funds in the past, the Basin States felt that it was most essential that a portion of the Program be associated with technical assistance (TA) and education activities in the field. Without this necessary support, there is no advanced planning, proposals are not well prepared, as-

sertions in the proposals cannot be verified, implementation of contracts cannot be observed, and valuable partnering and education efforts cannot occur. Recognizing these values, the BSP designates 40 percent of the funds available on these needed TA activities made possible by contracts with the NRCS.

PREPARED STATEMENT OF THE COLORADO RIVER BOARD OF CALIFORNIA

This testimony is in support of funding for the U.S. Department of Agriculture (USDA) with respect to its on-farm Colorado River Basin Salinity Control Program for fiscal year 2010. This program has been carried out through the Colorado River Basin Salinity Control Act (Public Law 93–320), since it was enacted by Congress in 1974. With the enactment of the Federal Agricultural Improvement and Reform Act (FAIRA) in 1996 (Public Law 104–127), specific funding for salinity control projects in the Colorado River Basin were eliminated from the Federal budget and aggregated into the Department of Agriculture's Environmental Quality Incentives Program (EQIP) as one of its program components. With that action, Congress concluded that the salinity control program could be more effectively implemented as one of the components of the EQIP.

The Program, as set forth in the act, benefits both the Upper Basin water users through more efficient water management and the Lower Basin water users, hundreds of miles downstream from salt sources in the Upper Basin, through reduced salinity concentration of Colorado River water. California's Colorado River water users are presently suffering economic damages in the hundreds of million of dollars per year due to the River's salinity.

The Colorado River Board of California (Colorado River Board) is the State agency charged with protecting California's interests and rights in the water and power resources of the Colorado River system. In this capacity, California along with the other six Colorado River Basin states through the Colorado River Basin Salinity Control Forum (Forum), the interstate organization responsible for coordinating the Basin States' salinity control efforts, established numeric criteria in June 1975 for salinity concentrations in the River. These criteria were established to lessen the future damages in the Lower Basin States of Arizona, California, and Nevada, as well as assist the United States in delivering water of adequate quality to Mexico in accordance with Minute 242 of the International Boundary and Water Commission.

The goal of the Colorado River Basin Salinity Control Program is to offset the effects of water resources development in the Colorado River Basin after 1972 as each state develops its Colorado River Compact apportionments. In close cooperation with the U.S. Environmental Protection Agency (EPA) and pursuant to requirements of the Clean Water Act (Public Law 92–500), every 3 years the Forum prepares a formal report analyzing the salinity of the Colorado River, anticipated future salinity, and the program elements necessary to keep the salinity concentrations (measured in Total Dissolved Solids—TDS) at or below the levels measured in the Colorado River system in 1972 at Imperial Dam, and below Parker and Hoover Dams. The latest report was prepared in 2008 titled: 2008 Review, Water Quality Standards for Salinity, Colorado River System (2008 Review). The plan necessary for controlling salinity and reducing downstream damages has been captioned the "Plan of Implementation." The 2008 Review includes an updated Plan of Implementation.

Concentrations of salts in the River annually cause about $376 million in quantified damage in the United States (there are significant un-quantified damages as well). For example, damages occur from:

—A reduction in the yield of salt sensitive crops and increased water use for leaching in the agricultural sector;
—A reduction in the useful life of galvanized water pipe systems, water heaters, faucets, garbage disposals, clothes washers, and dishwashers, and increased use of bottled water and water softeners in the household sector;
—An increase in the use of water for cooling, and the cost of water softening, and a decrease in equipment service life in the commercial sector;
—An increase in the use of water and the cost of water treatment, and an increase in sewer fees in the industrial sector;
—A decrease in the life of treatment facilities and pipelines in the utility sector;
—Difficulty in meeting wastewater discharge requirements to comply with National Pollutant Discharge Elimination System permit terms and conditions, and an increase in desalination and brine disposal costs due to accumulation of salts in groundwater basins, and fewer opportunities for recycling due to groundwater quality deterioration; and

—Increased use of imported water for leaching and the cost of desalination and brine disposal for recycled water.

For every 30 milligram per liter increase in salinity concentrations, there are $75 million in additional damages in the United States. Although the Program, thus far, has been able to implement salinity control measures that comply with the approved plan, recent drought years have caused salinity levels to rise in the River. Predictions are that this will be the trend for the next several years. This places an added urgency for acceleration of the implementation of the Program.

Enactment of the Farm Security and Rural Investment Act of 2002 provided an opportunity to adequately fund the Salinity Program within EQIP. The Colorado River Basin Salinity Control Advisory Council has taken the position that the USDA portion of the effort be funded at 2.5 percent of the EQIP funding but at least $20 million annually. Over the past few years, the Natural Resources Conservation Service (NRCS) has designated 2.5 percent of EQIP funds be allocated to the Colorado River Salinity Control program. The Forum suggests that this is an appropriate level of funding as long as it does not drop below $20 million. The Colorado River Board supports the recommendation of the Forum and urges this Subcommittee to support funding for the Colorado River Basin Salinity Control Program for 2010 at this level.

These Federal dollars will be augmented by the State cost sharing of 30 percent with an additional 25 percent provided by the agricultural producers with whom USDA contracts for implementation of salinity control measures. Over the past years, the Colorado River Basin Salinity Control program has proven to be a very cost effective approach to help mitigate the impacts of increased salinity in the Colorado River. Continued Federal funding of this important Basin-wide program is essential.

In addition, the Colorado River Board recognizes that the Federal Government has made significant commitments to the Republic of Mexico and to the seven Colorado River Basin States with regard to the delivery of quality water to Mexico. In order for those commitments to continue to be honored, it is essential that in fiscal year 2010, and in future fiscal years, that Congress continues to provide funds to USDA to allow it to provide needed technical support to agricultural producers for addressing salinity control in the Basin.

The Colorado River is, and will continue to be, a major and vital water resource to the 18 million residents of southern California as well as throughout the Colorado River Basin. As stated earlier, preservation and improvement of the Colorado River water quality through an effective salinity control program will avoid the additional economic damages to users of Colorado River water in California, Arizona, and Nevada.

PREPARED STATEMENT OF THE ENVIRONMENTAL SERVICE RESEARCH INSTITUTE

A PROPOSAL FOR NATIONAL ECONOMIC RECOVERY—AN INVESTMENT IN GEOSPATIAL INFORMATION INFRASTRUCTURE BUILDING A NATIONAL GIS [1]

Summary

We respectfully request the Subcommittee's support for a multi-year, government-wide effort to build a national Geospatial Information System (GIS), led by the Secretary of Interior through his role as chairman of the Federal Geographic Data Committee under OMB circular A–16, and the United States Geological Survey. The total cost of the program, as detailed below, is expected to be approximately $1.2 billion spread over 3 years. For fiscal 2010, we urge the Subcommittee to provide $40.1 million for the portions of this project within your jurisdiction.

Proposal

The Stimulus Plan recently approved by Congress and the incoming Obama Administration is an enormous undertaking to revive the American economy. Potentially, it will involve thousands of infrastructure and other projects intended to create jobs and restart economic growth while producing things of lasting value to American taxpayers. The challenge to properly manage and execute this effort will be daunting, requiring unprecedented access to data and information at all levels of government and the private sector.

This is the moment for America to build a national Geographic Information System (GIS), that is, a unified, up-to-date, publicly-accessible national digital map, en-

[1] A vision for a National Geographic Information System, by Jack Dangermond and Anne Hale Miglarese.

riched with data from all available sources, and supported by GIS technology. This system can be built quickly, immediately creating high tech jobs, and will serve as a public resource for project planners to support transportation infrastructure, alternative energy research, and project siting. It will also provide a foundation for monitoring the U.S. economic recovery across our communities, allowing activities to get underway as soon as possible and leaving a legacy for the future.

The benefits of a national GIS are universal. The Western Governor's Association declared GIS a key component of our national critical infrastructure. The National Geospatial Advisory Committee (NGAC) adopted a set of transition recommendations that represent a broad consensus among the key public and private stakeholders in the geospatial technology field and form a principal basis for this proposal.

Why a National GIS Should be Completed

Agencies have been laying the foundation for national GIS for years. It falls within umbrella names like Imagery for the Nation, The National Map, the National Spatial Data Infrastructure, and the pioneering work of by the U.S. Geological Survey, the Department of Commerce Census Bureau and the National Oceanic and Atmospheric Administration and the Departments of Homeland Security, Agriculture, and Interior, among others. It is supported by technical studies from the National Geospatial Advisory Committee (NGAC), the National Research Council, the Federal Geographic Data Committee (FGDC), and the National States Geographic Information Council (NSGIC). Now is the time to pull them together.

GIS technology is uniquely capable of providing unity both to the complex new Stimulus Plan as well as other ongoing initiatives. GIS can integrate data from agencies across all levels of government, providing decision makers a powerful tool to marshal knowledge on items as diverse as personnel, finance, economics, infrastructure, and resources, all organized within maps or images showing geographic basics such as topography, roads, parcels, buildings, utility networks, landmarks, soil types, and political and physical land divisions. It brings together all key national datasets to support action—which is why it is considered a must for emergency response organizations across the country. A national GIS will place at our fingertips a comprehensive description of our nation's assets, resources and operations, all linked geographically. Once completed, it will be a priceless national resource and an indispensable tool for planners and business alike.

A national GIS can be built immediately, engaging hundreds of private firms. It will speed the start of job-rich infrastructure projects. Its biggest impact will be on projects critical to energy development, homeland security, defense, climate change, health care delivery, telecommunications, transportation, and the environment. Without national GIS as a management tool, efforts will be haphazard and project planners will be hamstrung. A National GIS must be a cornerstone program funded by the Stimulus Plan, a fulcrum to wring the greatest result for each dollar spent.

Technical fundamentals of a National GIS

A GIS system integrates information from many sources and authors using standardized protocols so that information can be harmonized and incorporated into a consistent framework to support multiple missions at all levels of government and private business. It can be built and maintained largely using on-going business processes such as The National Map initiative of Interior Department's Geological Survey (USGS), and it can rely heavily on existing software, hardware, and networks, integrated by a lead organization setting standards and protocols. Existing modern GIS server technology, together with open standards and Services Oriented Architecture (SOA), can provide enabling components for a national GIS immediately. This architecture maximizes collaboration among government and private entities. Guarantees of privacy, confidentiality, protection of proprietary financial data, and similar concerns can be built in at the foundation and at every level. This national system will result in the following:

—A series of standard geographic datasets (framework layers described below);
—A series of workflows that transactionally maintain (update) these datasets;
—A system for data management responsibility (FGDC governance);
—A suite of tailored applications;
—A designated Federal entity to oversee the effort;
—The necessary technology to support a National GIS system.

Leadership and cost for a National GIS

Both the National Geospatial Advisory Committee (NGAC) and the Department of Interior have developed detailed recommendations on how to build a National GIS. A key first step is to implement fully the Imagery for the Nation initiative, an intergovernmental plan to create a full Federal-level GIS based on nationwide

aerial imaging and mapping, participation by agencies across the Federal landscape, and technological consistency.

Next, a comprehensive national updating of mapping and topographical information is essential to create a complete current portrait of America—what is referred to as The National Map. This step, along with outreach to incorporate key additional databases maintained by State and local governments and the private sector, and elements such as Parcels, Transportation, Hydro, Elevation, Critical Habitat and Boundaries, will be needed to make the system most effective for project decision-makers and infrastructure planners. We anticipate the total cost to be approximately $1.2 billion, spread over 3 years. We can provide detailed cost breakdowns upon request.

In order to create a national GIS it is necessary to update and integrate the many currently-existing individual agency map layers into a consistent, integrated whole. USGS would lead this effort and combine information into a consistent geospatial foundation. This component will, over the next 3 years, require an additional $200 million spread over a variety of Federal Departments and Agencies.

Interagency plans, contracts, and management systems are already in place today to implement this initiative. Overall management could be provided by the Secretary of the Interior, who chairs the Federal Geographic Data Committee, with significant involvement from USDA, DOC and DHS/FEMA. In addition, program funding can be leveraged through cooperative efforts with partners in State and local government and the private sector. The National Geospatial Advisory Committee can provide ongoing strategic and recommendations program design and implementation.

A National GIS: Key Framework Data and System Technology

We propose focusing on the development of five key digital layers or initiatives as initial steps toward a National GIS: Imagery, Parcel Data, Elevation, and Wildlife Habitat, and Recovery.gov.

—*Imagery.*—Imagery for the Nation (IFTN) is an intergovernmental initiative to address the Nation's basic business needs for aerial images. Imagery is used for countless applications in all levels of government and the private sector, embraced by the public through online tools such as Google Earth and Microsoft Virtual Earth. Partnerships between levels of government to acquire imagery data have lowered costs, reduced duplication, and allowed greater data standardization. IFTN will maximize the impact of taxpayer investments through a coordinated national acquisition program. The IFTN initiative was originated by the National States Geographic Information Council, been endorsed by the FGDC and the NGAC, and involves a heavy investment from the U.S. Department of Agriculture. The approximate 3-year total cost for this activity is $140 million, equally split between the Departments of the Interior and Agriculture. For fiscal year 2010, we urge the subcommittee to provide $23.4 million for Agriculture's component.

—*A GIS-based Recovery.Gov.*—President Obama has insisted that Stimulus spending be subject to maximum transparency and accountability, enabling citizens to understand how their funds are being spent and how their communities will be affected. Recovery.gov, the web-based tool being launched by OMB for this purpose, must provide complete, understandable, authoritative and actionable information and analysis to elected and appointed officials, and to ordinary citizens. We propose that Recovery.gov be equipped with interactive maps and geospatial analytic tools that will substantially improve understanding and effectiveness of Recovery Act execution. An interactive map provides an intuitive foundation to understand, integrate, and interrogate this disparate and overwhelming amount of information, and to support better and timelier analysis and decisions. The application of GIS technology would allow public users to access and view Recovery Act spending patterns against established goals and underlying local and national conditions. In this way, it will allow the public to evaluate whether the government is making the right choices on where money is spent, and whether spending is yielding the right results. The approximate 3-year total cost for this activity is $250 million across the Departments of the Interior ($100 million), Agriculture ($50 million), Commerce ($50 million), and Homeland Security ($50 million). For fiscal year 2010, we urge the subcommittee to provide $16.7 million for Agriculture's component.

—*Parcel Data.*—Based on the National Academies of Science, National Research Council (NRC) recent report "National Land Parcel Data: A Vision for the Future," the land parcel data layer (also known as cadastral data) is used by governments to make decisions on land development, business activities, regulatory compliance, emergency response, and law enforcement. The NRC report con-

cludes that nationally-integrated land parcel data is necessary, feasible, and affordable. Development of a national land parcel system would also provide an invaluable analytical tool to help manage the mortgage crisis. The NGAC endorsed the recommendations in the NRC report in October. The approximate 3-year total cost for this activity is $200 million for the Department of the Interior.

—*Elevation.*—Today, high density digital elevation models are produced by a technology called LiDAR and IfSAR, an aerial mapping technology that provides highly accurate mapping of ground elevations. FEMA currently uses LiDAR data for flood mapping whenever such data are available. LiDAR data are also being utilized extensively in natural resource management, and new uses are being demonstrated for emergency response and homeland security purposes. An investment in a national Elevation initiative would produce consistent elevation dataset encompassing the entire country. The approximate 3-year total cost for this activity is $300 million, equally split between the Department of the Interior and the National Oceanic and Atmospheric Administration.

—*Wildlife Corridor/Crucial Habitat.*—The pressure for rapid economic development and increased energy production threatens our natural resources. The Western Governors' Association has recommended a Wildlife Corridor and Crucial Habitat Decision Support System. This system will support informed decisions on community growth, alternative energy expansion, biodiversity preservation, and resolving water resource issues. This effort will produce a consistent nationwide wildlife map and GIS management system. The approximate 3-year total cost for this activity is $110 million for the Department of the Interior.

Conclusion

The key step is to get it done now. America's financial crisis today, the worst since the end of World War II, will force difficult actions and decisions. Large expenditures of taxpayer money must be designed to yield products of long-term benefit to the country. America has an information economy, and a robust geospatial infrastructure (system of digital maps and tools) is just as vital to its continued development as was the physical infrastructure to the industrial economy. A National GIS, properly designed and effectively implemented, providing public access and using best technologies, will speed economic recovery by producing jobs and putting shovels in the ground more quickly. It will also leave the country with a public utility, a modern geospatial information system, that itself can become a foundation for new generations of industries and technologies in the future.

PREPARED STATEMENT OF FLORIDA STATE UNIVERSITY

Florida State University is requesting $5,000,000 in fiscal year 2010 for the Risk Reduction for Agricultural Crops Program from the Cooperative State Research Education and Extension Service/Research and Education Activities/Federal Admin. Account.

Mr. Chairman, I would like to thank you and the Members of the Subcommittee for this opportunity to present testimony before this Committee. I would like to take a moment to briefly acquaint you with Florida State University.

Located in Tallahassee, Florida's capitol, FSU is a comprehensive Research university with a rapidly growing research base. The University serves as a center for advanced graduate and professional studies, exemplary research, and top-quality undergraduate programs. Faculty members at FSU maintain a strong commitment to quality in teaching, to performance of research and creative activities, and have a strong commitment to public service. Among the current or former faculty are numerous recipients of national and international honors including Nobel laureates, Pulitzer Prize winners, and several members of the National Academy of Sciences. Our scientists and engineers do excellent research, have strong interdisciplinary interests, and often work closely with industrial partners in the commercialization of the results of their research. Florida State University had over $200 million this past year in sponsored research awards.

Florida State University attracts students from every State in the Nation and more than 100 foreign countries. The University is committed to high admission standards that ensure quality in its student body, which currently includes National Merit and National Achievement Scholars, Rhodes and Goldwater Scholars, as well as students with superior creative talent. Since 2005, FSU students have won more than 30 nationally competitive scholarships and fellowships including 3 Rhodes Scholarships, 2 Truman Scholarships, Goldwater, and 18 Fulbright Fellowships.

At Florida State University, we are very proud of our successes as well as our emerging reputation as one of the Nation's top public research universities.

Mr. Chairman, let me summarize our primary interest today. The current drought in the southeastern USA, the worst in recent history, has had significant impacts on the water resources. It has reemphasized the vulnerability of the citizens to climate variability and climate extremes. The Federal Government can reduce these risks by using modern technologies such as climate models, which can predict future climate, and decision support tools to help mitigate some of these uncertainties and provide adaptation strategies for the agricultural and environmental sectors. The Southeast Climate Consortium (SECC), which includes Florida State University, the University of Florida, the University of Miami, the University of Georgia, Auburn University, the University of Alabama at Huntsville, North Carolina State University and Clemson University, has been at the forefront of research and extension for the application of climate predictions to risk reduction for agriculture and natural resources. With support from USDA and NOAA, the SECC has developed new methods to predict the consequences of climate variability for agricultural crops, forests, and water resources in the southeastern USA. In recent real-life tests, these methods have been applied to the problems that farmers raising specialty crops face arising from variable rainfall, temperature, and wild fires. This program has strong support of extension in all States. The new tasks that can be accomplished with the funds requested are to develop improved methods to forecast droughts and other extreme climate events. These forecasts will be incorporated into decision support systems to help agricultural, forest, and natural resource managers to reduce risks of losses and environmental damage. The SECC will develop new partnerships and methods for incorporating climate forecasts into agricultural and water policy decisions and will continue the development of a decision support system to provide seasonal and multi-year projections to water resources managers, especially for agricultural water use. Lastly, the SECC will initiate research to determine risks and appropriate agricultural responses to longer term trends in climate. We are requesting $5,000,000 for this project.

Mr. Chairman, this project will have a great impact on our country and I appreciate your consideration.

PREPARED STATEMENT OF FRIENDS OF AGRICULTURAL RESEARCH—BELTSVILLE, INC.

Mr. Chairman, and Members of the Subcommittee, thank you for this opportunity to present our statement regarding funding for the Department of Agriculture's Agricultural Research Service (ARS), and especially for the Agency's flagship research facility, the Henry A. Wallace Beltsville Agricultural Research Center (BARC), in Maryland. Our organization—Friends of Agricultural Research—Beltsville—promotes the Center's current and long-term agricultural research, outreach, and educational missions.

Before going to the heart of our testimony, please allow us to note for the record that during fiscal year 2010 the Beltsville Agricultural Research Center will mark a great historical milestone, a milestone to celebrate the many great and small accomplishments that BARC research has contributed to the Nation's agricultural bounty and to the overall march of scientific progress. A full century will have passed since 1910, the year research in Beltsville began with the assembly of a dairy cattle herd for research purposes. The ensuing BARC story is by all rights a national story—a story of world-class accomplishment. BARC Director Joseph Spence and his staff are planning a series of worthy events to commemorate the centennial year.

The Friends of Agricultural Research-Beltsville (FAR–B) is honored to be both a participant in the centennial planning process and a contributor to coming events. We would be pleased, Mr. Chairman, to answer any questions, to collect any information or citations the Subcommittee might wish regarding the centennial or our testimony.

We now turn to the specifics of our testimony for fiscal year 2010:

Under-Funded Salary Growth.—$1,700,000

First, we appreciate the restoration of items that were recommended for termination in the president's proposed budget for fiscal year 2009. We would hope that the fiscal year 2010 budget does not identify additional program terminations at BARC, and we would hope that there will be much needed funding increases. In the fiscal year 2009 budget, there was only about half of the needed funding for salary increases that went into effect at the beginning of the year. An unfortunate result of recent annual increases in Federal salaries—without offsetting funding in-

creases—is a negative growth in funding available for discretionary spending on research. This situation has continued for several years now, and it has had a significant negative impact on ARS research.

FAR–B strongly recommends funding adjustments to offset the almost yearly decline of net research funding resulting from under-funded salary increases.

Research Initiatives

While it is unclear at this time if the fiscal year 2010 budget includes funding for additional research at BARC, it is important to point out that BARC conducts many areas of research and that the research is of the highest national priority. BARC research presents many compelling opportunities to reward agriculture, the environment, and the consumer.

Food Safety—$500,000.—The Beltsville Area recently established the largest single food safety unit in ARS. This research unit will focus on a number of issues, including safety of fruits and vegetables and food safety issues related to organic agriculture. The ability exists at BARC to raise crops and animals under farm conditions, and then to process, store, and package the resulting products. A unique feature of the food safety research program at BARC is the ability to propose and test interventions that greatly reduce pathogen exposure in foods, and ultimately in people.

Genomic Prediction—$1,500,000.—The promise of understanding the genome of plants and animals is being fully exploited at Beltsville. In groundbreaking research conducted here, scientists have been able to quickly and accurately identify dairy bulls that will produce daughters capable of producing the most milk. Now a simple test at birth can predict at twice the accuracy and at a cost of about $250 the potential of a bull to sire high producing cows. Traditionally, bull prediction methods have required farmers to obtain production records of 50 to 100 daughters per bull to determine his genetic merit, at a cost up to $50,000 per bull. The potential for developing and expanding this breakout technology is huge and at great savings to dairy farmers and consumers alike.

Climate Change—$1,500,000.—BARC has truly unique growth chambers that can measure and observe plant growth at every stage from root to stem, and under every conceivable atmospheric condition. BARC is using these chambers to measure the effects of increasing atmospheric CO_2 and changes in environmental temperatures. Studies are underway not only on agronomically important crops, but also on invasive weeds. Research shows that environmental changes may enhance the rapid growth of invasive plants, thus threatening to exacerbate already costly problems for American agriculture.

Obesity Prevention—$500,000.—Obesity negatively impacts the health and productivity of the American public. Moreover, obesity comes with greatly increased risk of chronic diseases that dramatically add to the economic costs of health care. The Beltsville Human Nutrition Research Center (BHNRC) is researching barriers and facilitators to help the American public follow Federal dietary guidelines. A major research emphasis is to prevent obesity through a better understanding of why people make the food choices they do. This research also will help USDA design and implement more effective food assistance programs.

Waste Utilization—$1,000,000.—Because it is a working farm and has research scientists who have expertise in animal science, conversion technologies, and environmental science, BARC is an ideal place to study the utilization of farm-generated waste products. Farm-generated waste products can be environmentally harmful, have little or no value to the farmer, and disposal can be costly. Work at Beltsville has led to the effective development of technologies and products that take waste by-products and convert them to valuable new products. Examples include biofuels and plastics made without petroleum.

Trade Enhancement and Global Competitiveness—$2,000,000.—BARC maintains and expands the Federal Government's unique collections of materials and organisms that are of utmost importance in identifying pests and for ensuring that unwanted pests are prevented from entering the United States and producing destruction of animals and plants of economic importance. These unique and irreplaceable collections include the Germplasm Resource Information Network, and invaluable reference collections of insects, nematodes, parasites, and fungi. These world-class collections attract leading experts from around the world who study and use them for their own purposes. The collections are absolutely critical to identifying and preventing exotic pest problems from entering the United States through imports or by international travelers as well as demonstrating that our exports are safe. The continued availability of research in this general area of systematics is essential for trade, for homeland security, and for the protection of American agriculture.

Chesapeake Bay Improvement—$500,000.—BARC scientists are working with farmers on Maryland's Eastern Shore to learn how to improve on-farm conservation practices that will improve water quality in the Chesapeake Bay. The research goals—targeting the entire range of Eastern Shore farming practices—include reducing fertilizer and pesticide usage. A central goal is to create agronomic and animal waste management practices that will reduce fertilizer usage and control pollution runoff. Biocontrol studies are searching out ways to minimize the need for pesticides. Scientists also are using advanced remote sensing and hydrological technologies to protect the health of the Chesapeake watershed.

FAR–B strongly recommends continued funding for these high-value, critically needed research initiatives.

Facilities.—$30 Million

Ongoing facility needs at BARC are a reflection of the age of many of the buildings and infrastructure at BARC. As the program and the number of employees has decreased over time due to lack of funding, the burden of maintaining a large research facility has taken its toll in terms of routine and ongoing maintenance. It is essential that additional funding be provided for general facility maintenance and that plans for facility consolidation move forward.

With talk of greatly increased expenditures of the Federal Government for facilities projects that are "shovel-ready", it is our hope that the Beltsville Area will be the recipient of a significant amount of those funds. Several projects at BARC are fully designed and ready for construction to begin almost immediately. These include the final phase of construction of the Beltsville Human Nutrition Research Center (BHNRC), in which existing building 307 will be gutted and rebuilt. This will allow BARC to relocate the entire BHNRC-now spread out at three separate locations—to one location and also free up space for other needed research activities. The completion of this important building renovation is urgently needed at BARC because many of the proposed space consolidations, which will greatly reduce the operating costs at the Center, are dependent on this project.

Other projects that are fully designed and ready to go include three projects at the U.S. National Arboretum (USNA). The relocation of the USNA entrances from R Street and New York Avenue to Bladensburg Road is a major project that needs to move forward and will greatly improve public access while relieving traffic congestion on New York Avenue. Finally, the trash abatement project for the cleanup of Hickey Run needs to move forward. Rain runoff produces a great volume of trash as the result of inadequate storm water control by the District of Columbia. This trash accumulates on the property of the USNA. This project is urgently needed to prevent trash from washing onto the arboretum grounds, which now occurs with almost any significant rainfall. This project is also critically importance environmentally and for helping clean up the Anacostia River. The project has been completely designed and, while funds have been appropriated to the D.C. government and to ARS for this project, funding is not adequate to start construction on this project.

FAR–B strongly recommends funding to complete these long delayed, urgently needed facility improvements.

Mr. Chairman, that concludes our statement. We again thank you for the opportunity to present our testimony and for your interest and support.

PREPARED STATEMENT OF THE IZAAK WALTON LEAGUE OF AMERICA

The Izaak Walton League of America appreciates the opportunity to submit testimony concerning appropriations for fiscal year 2010 for various agencies and programs under the jurisdiction of the Subcommittee. The League is a national, nonprofit organization founded in 1922. We have more than 36,000 members and nearly 300 chapters and state divisions nationwide. Our members are committed to advancing common sense policies that safeguard wildlife and habitat, support community-based conservation, and address pressing environmental issues. The League has been a partner with farmers and a participant in forming agriculture policy since the 1930s. The following pertains to conservation programs administered by the U.S. Department of Agriculture.

The Food, Conservation, and Energy Act (FCEA) of 2008 was enacted with a prominent commitment to increased mandatory conservation spending. We urge the Subcommittee to maintain the mandatory spending levels for conservation programs as provided in the act. The fiscal year 2010 budget is important to carrying out the changes in the 2008 bill and implementing new initiatives. These conservation programs are critical to working with farmers, ranchers and forest landowners to un-

dertake or improve conservation practices. These programs benefit producers through improved soil quality and productivity of their land, and the broader community through cleaner air and water and healthy habitat.

Previous Farm Bills have included increased conservation authorizations that the League supported and fought hard to achieve. That pattern was certainly repeated with the new law, which contains a $25 billion investment in conservation programs overall. Although the authorization is important, the country will only realize the true benefit of conservation policies if appropriations match the authorized levels. As documented in our research on prior Farm Bill funding: [1]

"Congress has also cut the funding committed to conservation programs in the previous [2002] Farm Bill. More than $5 billion promised to conservation has been withheld. This despite the fact that as many as three-fourths of the eligible farmers and ranchers seeking conservation programs are turned away due to lack of funds. No similar caps have been applied to the unlimited crop payment programs."

We are disappointed that the President's budget continues the unfortunate pattern of cutting conservation programs below mandatory levels established in the Farm Bill. The League is especially concerned about proposed cuts to the Wetland Reserve Program and Wildlife Habitat Incentives Program. Demand for participation in both far outstrips available funding, and this proposal will only exacerbate that problem as well as undermine conservation on-the-ground. It is critical that authorized levels for vital programs are met and maintained in fiscal year 2010 and all subsequent budget cycles for the life of the legislation. Specifically, the League believes achieving the following mandatory levels is essential:

—Meeting the Wetland Reserve Program's full 3.041 million acre, $1.2 billion allocation over the life of FCEA will require $473 million in fiscal year 2010 according to the Congressional Budget Office (CBO) March 2009 baseline. The President has proposed only $391 million and reduced the program acreage by 139,000 acres.

—Adding 1.22 million acres to the Grassland Reserve Program by 2012, scored at $300 million for the life of FCEA, with a CBO baseline of $78 million for fiscal year 2010. The Administration believes $54 million will fully fund the Farm Bill authorization for fiscal year 2010.

—Maintaining the 32 million acre enrollment in the Conservation Reserve Program, scored at $9.8 billion over the life of FCEA, and $1.944 billion for fiscal year 2010. The Administration's budget proposes full funding for CRP.

—Achieving $85 million annually for the Wildlife Habitat Incentives Program. The budget proposed by the President cuts the program by more than half in fiscal year 2010 to $42 million.

Additionally, the League worked to expand the Conservation Stewardship Program. Accompanying the positive revisions to better focus the program on higher environmental standards was an increase in authorized funding to support enrollment of approximately 13 million acres per year. The March 2009 CBO baseline places fiscal year 2010 mandatory funding at $752 million. The Office of Management and Budget (OMB) has scored funding full authorization at $681 million. With the numerous environmental challenges facing U.S. agriculture, including climate change, soil quality deficiencies, declining pollinator health, and huge water quality and quantity issues, we strongly urge the Subcommittee to provide the full baseline amount in its bill.

Furthermore, effective implementation of Farm Bill conservation programs depends upon adequate technical resources to work with landowners in addressing their unique environmental concerns. Although conservation programs are available, under-investment in technical assistance limits agency support to assist farmers and ranchers in selecting and optimizing appropriate programs for their operations. Resource concerns and conservation practices vary throughout the country, and the technical assistance provided to program participants is necessary to address specific environmental concerns. The technical expertise of the Natural Resource Conservation Service and partners that assist in the delivery of programs and technical assistance directly to landowners is necessary for the adoption and maintenance of conservation practices. We request that the subcommittee support the mandatory levels of conservation program funding as provided in FCEA to enable robust technical resources to implement those programs successfully.

Finally, the Sustainable Agriculture Research and Education (SARE) program is a very successful competitive grant program that funds farmer-driven research, edu-

[1] Redlin, Gupta, and Wiegand. 2007. *The 2007 Farm Bill: Stewardship, Prosperity, and Fairness.* Izaak Walton League of America. http://www.iwla.org/publications/agriculture/Farm__Bill__2007__WEB.pdf.

cation, and extension initiatives. SARE projects, and its unique regional approach, have a long record of building economic prosperity, innovation and opportunity in rural America—all integrally aligned with natural resource conservation.

Demand for SARE is growing, however, most years it has been able to fund less than 10 percent of the proposals submitted. Forty million dollars are authorized for SARE's research and education program and $20 million for its extension education and professional development program. However, appropriations for both programs have never topped $19 million. The League requests a minimum fiscal year 2010 appropriation for SARE of $30 million, with $25 million allocated to research and education and $5 million to extension and professional development.

We appreciate the opportunity to testify in strong support of fully-funding agricultural conservation programs.

PREPARED STATEMENT OF GOODWILL INDUSTRIES INTERNATIONAL

Dear Chair and Ranking Member: On Behalf of Goodwill Industries International (Goodwill) and its 160 local Goodwill agencies in the United States, I wanted to thank you for your inclusion of funding in the American Recovery and Reinvestment Act targeted to low income workers and people with disabilities struggling in the midst of the recession.

I am writing today to urge you to provide adequate funding in fiscal year 2010 for a critical program that supports local Goodwill agencies' efforts to help your constituents through the dignity of work. Especially during such trying economic times, Goodwill understands the difficult challenge that appropriators face as they struggle to stretch limited resources to support an ever-increasing list of national priorities. We stand committed to working with you toward implementing solutions that will restore economic stability by empowering disadvantaged populations

While our agencies utilize a variety of Federal funding streams, AgrAbility is one of our highest priority programs.

Goodwill has a long history in meeting the employment and training needs of people with disabilities who live and work in rural communities, including agriculture workers who have suffered disabling injuries. Agriculture consistently ranks as one of the nation's most dangerous occupations. Each year, 90,000 agricultural workers sustain disabling injuries in work-related accidents.

AgrAbility is a small $5 million program that consists of one National AgrAbility Project and more than 20 State/Regional AgrAbility Projects. These projects must involve a collaborative partnership between a land-grant university and one or more nonprofit organizations.

State AgrAbility projects provide free on-farm consultations during which they assess abilities and needs, make recommendations for farm site or task modifications and assistive technology, then develop an action plan that allows program participants to continue to lead successful careers in production agriculture and farming or in another chosen field. In addition, the National AgrAbility Project (lead by Purdue University in partnership with Goodwill Industries International) provides technical assistance and professional training for State AgrAbility Projects, produces resource materials, and disseminates information related to the project. This project is the cornerstone of Goodwill's efforts with rural communities.

GOODWILL urges Congress to provide adequate funding for full implementation of AgrAbility Programs in all 50 States thereby ensuring that assistance is available in all 50 States to farmers, ranchers, other agricultural workers, and family members impacted by disability.

Thanks for considering this request. Should you have questions, please feel free to contact Seth Turner, Director of Government Affairs and Public Policy, at seth.turner@goodwill.org or (240) 333–5508.

PREPARED STATEMENT OF THE MINOR CROP FARMER ALLIANCE

The Minor Crop Farmer Alliance is an alliance of national and regional organizations and individuals representing growers, shippers, packers, handlers, and processors of various agricultural commodities, including food, fiber, nursery, and horticultural products, and organizations involved with public health pesticides. Our members are extremely interested in the development of pest management tools and techniques that are environmentally sound. While our commodities are often called "minor crops," they are vitally important components in the diets (fruits and vegetables) of all Americans and they contribute to safe and aesthetic surroundings for our homes, schools and places of business (turf, ornamental and nursery crops). Specialty crop agriculture in the United States is valued at more than $55 billion annu-

ally and accounts for more than 20 percent of the value of agricultural products grown in this country.

We request that $8.4 million be provided to the National Agricultural Statistical Service (NASS) in fiscal year 2010 specifically for the continuation of agricultural chemical use surveys for fruits, vegetables, floriculture and nursery crops.

The U.S. Department of Agriculture's (USDA) National Agricultural Statistics Service (NASS) discontinued its Chemical Use Surveys for these commodities and has stated that it needs $8.4 million in funding to continue the survey program.

The chemical usage surveys are the only source of publicly available data on agricultural pesticide and fertilizer use. The surveys are used by the USDA Office of Pest Management Policy and the U.S. Environmental Protection Agency (EPA) to conduct risk assessments and make pesticide policy decisions. Farmers, commodity organizations and the public utilize the data to monitor pesticide and fertilizer use and it is essential data for use in public policy discussions and participation in rulemaking.

Proprietary data are available to verify NASS data in EPA risk assessments, but it cannot be used as the sole source of data because EPA cannot share the data with the public without violating the terms of its proprietary purchasing agreement. This proprietary data is not always gathered using appropriate sampling schemes, leaving gaps in the information even for specialty crops that are widely grown.

EPA relies on the NASS surveys to conduct pesticide risk assessments. Without the NASS survey data, EPA plans to default to 100 percent crop treated in future risk assessments. This could result in the cancellation of important crop protection tools for farmers. EPA has contacted USDA to communicate its strong support for the survey program.

The Congress included language in the fiscal year 2009 Omnibus Bill that provided $2,450,000 to carry out the "Fruit Chemical Use Data Study." While we welcome these additional funds for NASS, we hope that in fiscal year 2010 the Congress will provide the full amount needed to continue all of these critical surveys for fruits, vegetables, nursery and floricultural crops.

Your consideration of this request is appreciated.

American Farm Bureau Federation
American Nursery & Landscape Association
California Specialty Crops Council
California Almond Board
California Avocado Commission
California Citrus Quality Council
California Fig Advisory Board
California Grape & Tree Fruit League
California Processed Onion and Garlic Research Committee
California Dried Plum Board
California Strawberry Commission
California Tree Fruit Agreement
Cherry Marketing Institute, Inc.
Cranberry Institute
Del Monte Foods
Florida Citrus Mutual
Florida Fruit & Vegetable Association
Florida Tomato Exchange
Food Products Association
Idaho Potato Commission
Michigan State Horticultural Society
Michigan Vegetable Council Inc.
National Council of Farmer Cooperatives
National Onion Association
National Potato Council
North Central Washington Fieldman's Association
Northwest Horticultural Council
Produce Marketing Association
Society of American Florists
United Fresh Produce Association
USA Dry Pea and Lentil Council, Inc.
U.S. Apple Association
U.S. Hop Industry Plant Protection Committee
Washington Association of Wine and Grape Growers
Washington Hops Commission
Washington State Potato Commission
Western Growers Association
Western Pistachio Association
Wild Blueberry Commission of Maine

PREPARED STATEMENT OF THE NATIONAL COALITION FOR FOOD AND AGRICULTURAL RESEARCH

Dear Chairman Kohl and Ranking Member Brownback: The National Coalition for Food and Agricultural Research (National C–FAR) urges the Subcommittee and Committee to increase Federal investment in food and agricultural research, extension and education (RE&E) as a critical component of Federal appropriations for fiscal year 2010, including at least $300 million for the new Agriculture and Food Research Initiative (AFRI).

President Obama has acknowledged the need for a major investment in research, saying at the annual meeting of the National Academy of Sciences that the United States will "devote more than 3 percent of our GDP to research and development."

We support President Obama's goal, and advise you that food and agriculture research must be a part of his vision.

The potential payoff is enormous for both Americans' health and the nation's economy. Federal investments in food and agricultural RE&E have brought profitability to production agriculture, found solutions for difficult conservation and environmental challenges, addressed the many issues of food safety, and provided the baseline for our whole knowledge of human nutrition.

Now, RE&E must seek solutions for feeding growing populations, dealing with climate change, developing sustainable fuel production, maintaining ecosystem health, and assuring all people food security and proper nutrition. Now is the time to grow investment in our nation's agricultural research enterprise and build on the successes of the past by increasing funding for a variety of food and agricultural research, extension and education efforts, and in particular the new National Institute of Food and Agriculture (NIFA) and AFRI.

National C–FAR urges the Subcommittee to increase funding for AFRI to at least $300 million in fiscal year 2010 with a goal of funding AFRI at the fully authorized level as soon as practicable, and by fiscal year 2013 at the latest. AFRI, the successor to USDA's National Research Initiative (NRI) and the Initiative for Future Agriculture and Food Systems (IFAFS), is an integrated approach that takes research and innovation beyond the development phase, into implementation through contemporary education and extension programs. National C–FAR opposes taking funds from other RE&E programs in USDA to fund AFRI.

NIFA, AFRI and other recent reforms offer a new opportunity to transform USDA's RE&E mission. AFRI will support research on key problems of national and regional importance in biological, environmental, physical, and social sciences relevant to agriculture, food, and the environment on a peer-reviewed, competitive basis. Additionally, AFRI should enable USDA to continue leveraging a portion of its RE&E funds fostering the development of partnerships with other Federal agencies that advance agricultural science.

National C–FAR also supports the administration's fiscal year 2010 requests for other parts of USDA's RE&E mission, including: the remainder of the Cooperative State, Research, Education and Extension Service (CSREES) beyond AFRI, the Agricultural Research Service (ARS), Economic Research Service (ERS) and Forest Service (FS).

The Research Title of the Farm Bill represents the nation's signature Federal investment in the future of the food and agricultural sector. Other Farm Bill titles depend heavily upon the Research Title for tools to help achieve their stated objectives. Public investment in food and agricultural research, extension and education today and in the future must simultaneously satisfy needs for food quality and quantity, resource preservation, producer profitability and social acceptability.

Tools provided through RE&E are needed to help achieve safer, more nutritious, convenient and affordable foods delivered to sustain a well nourished, healthy population; more efficient and environmentally friendly food, fiber and forest production; improved water quality, land conservation, wildlife and other environmental conditions; less dependence on non-renewable sources of energy; expanded global markets and improved balance of trade; and more jobs and sustainable rural economic development. Societal demands and expectations placed upon the food and agricultural system are ever-changing and growing.

Multiple examples, such as those highlighted below, serve to illustrate current and future needs that arguably merit enhanced public investment in research, extension and education so that the food and agricultural system can respond to these challenges on a sustainable basis:

—Strengthened bio-security is a pressing national priority. There is a compelling need for improved biosecurity and bio-safety tools and policies to protect against bio-terrorism and dreaded problems such as foot-and-mouth and "mad cow" diseases and other exotic plant and animal pests, and protection of range lands from invasive species.

—Food-linked health costs are high. Some $100 billion of annual U.S. health costs are linked to poor diets, obesity, food borne pathogens and allergens. Opportunities exist to create healthier diets through improvements in the food supply and in consumer knowledge and implementation of dietary guidance.

—Research, extension and education are key to providing to solutions to environment and conservation challenges related to global warming, limited water resources, enhanced wildlife habitat, and competing demands for land and other agricultural resources. Rural water conservation and development of drought-resistant crops have evolved from a good idea to a necessity.

—It is a highly competitive world for food and agriculture and rural America. There was considerable debate during the last Farm Bill reauthorization about

how expanded food and agricultural research, extension and education could enhance farm income and rural revitalization by improving competitiveness and value-added opportunities.

—Energy costs are escalating, dependence on petroleum imports is growing and concerns about greenhouse gases are rising. Research, extension and education can enhance agriculture's ability to provide renewable sources of energy and cleaner burning fuels, sequester carbon, and provide other environmental benefits to help address these challenges, and indeed generate value-added income for producers and stimulate rural economic development.

—Population and income growth are expanding the world demand for food and natural fiber and improved diets. World food demand is projected to double in 25 years. Most of this growth will occur in the developing nations where yields are low, land is scarce, and diets are inadequate. Without a vigorous response, demand will only be met at a great global ecological cost.

—Regardless of one's views about biotechnology and genetic resources, an effective publicly funded research role is needed for oversight and to ensure public benefits.

Publicly financed RE&E is a necessary complement to private sector research, focusing in areas where the private sector does not have an incentive to invest, when (1) the pay-off is over a long term; (2) the potential market is more speculative; (3) the effort is during the pre-technology stage; and (4) where the benefits are widely diffused. Public research, extension and education help provide oversight and measure long-term progress. Public research, extension and education also act as a means to detect and resolve problems in an early stage, thus saving American taxpayer dollars in remedial and corrective actions.

The USDA, ERS September 2007 Economic Brief titled, "Economic Returns of Public Agricultural Research," shows the average social rate of return to public investment in agricultural research is nearly 50 percent. However, Federal funding for food and agricultural research, extension and education has been essentially flat for over 20 years, while support for other Federal research has increased substantially. Public funding of agricultural research in the rest of the world during the same time period has outpaced investment in the United States, leading to competitive concerns. There also are vast areas where the public will trust only U.S. Federal investments in research—a case in point is human nutrition research.

By any measure, Federal funding for food and agricultural research, extension and education—which has declined about one-fourth since fiscal year 2003—has failed to keep pace with identified priority needs. Allowing this decline to continue is likely to irrevocably harm our responses to human needs and competitive forces. It is imperative to lay the groundwork now to respond to the many challenges and promising opportunities ahead through Federal policies and programs needed to promote the long-term health and vitality of food and agriculture for the benefit of both consumers and producers. Stronger public investment in food and agricultural RE&E is essential in producing research outcomes needed to help deliver beneficial and timely solutions on a sustainable basis.

National C–FAR serves as a forum and a unified voice in support of sustaining and increasing public investment at the national level in food and agricultural research, extension and education. National C–FAR is a nonprofit, nonpartisan, consensus-based and customer-led coalition established in 2001 that brings food, agriculture, nutrition, conservation and natural resource organizations together with the food and agriculture research and extension community.

We agree with President Obama that, "Science is more essential for our prosperity, our security, our health, our environment, and our quality of life than it has ever been."

Prepared Statement of National Coalition for Food and Agricultural Research

Dear Chairman Kohl and Ranking Member Brownback: The undersigned organizations and individuals urge the Subcommittee and Committee to increase funding for the new Agriculture and Food Research Initiative (AFRI) to at least $300 million in fiscal year 2010 (exclusive of any funding identified for the former Section 406 programs) as a first step toward funding AFRI at the fully authorized level of $700 million annually. AFRI, the successor to USDA's National Research Initiative (NRI) and the Initiative for Future Agriculture and Food Systems (IFAFS), is an integrated approach that takes research and innovation beyond the development phase, into implementation through contemporary education and extension programs.

The Food, Conservation, and Energy Act of 2008 established the Agriculture and Food Research Initiative (AFRI), a new competitive grants program authorized at $700 million annually, for research, extension, and education in support of our Nation's food and agricultural systems within USDA's National Institute of Food and Agriculture.

We support full funding of AFRI at the authorized level of $700 million annually, and urge the Subcommittee to fully fund AFRI as soon as practicable, by fiscal year 2013 at the latest. This is consistent with President Obama's commitment to return our Nation to sound science. With the Nation and world seeking solutions for climate change, sustainable fuel production, ecosystem health, food security and nutrition challenges, now is the time to grow investment in our Nation's food and agricultural research.

Thank you for your leadership action in investing in America's food and agriculture system.

American Dietetic Association
American Feed Industry Association
American Malting Barley Association
American Phytopathological Society
American Society for Nutrition
American Soybean Association
American Veterinary Medical Association (AVMA)
Aquatic Plant Management Society (APMS)
Association of American Veterinary Medical Colleges
Biotechnology Industry Organization
Council for Agricultural Science and Technology
Donald Danforth Plant Science Center
Institute of Food Technologists
National Association of Wheat Growers
National Barley Growers Association
National Barley Improvement Committee
National Coalition for Food and Agricultural Research
National Farmers Union
National Oat Improvement Committee
National Sunflower Association
National Wheat Improvement Committee
North American Millers' Association
North Central Weed Science Society (NCWSS)
Northeastern Weed Science Society (NEWSS)
Southern Weed Science Society (SWSS)
Dr. Steven G. Pueppke, National Agricultural Biotechnology Council
The Council on Food, Agricultural and Resource Economics (C–FARE)
The Peanut Foundation
Professor Robert L. Thompson, Gardner Endowed Chair in Agricultural Policy Agricultural & Consumer Economics Dept., University of Illinois
U.S. Canola Association
USA Dry Pea & Lentil Council
Weed Science Society of America (WSSA)
Western Society of Weed Science (WSWS)

PREPARED STATEMENT OF THE NATIONAL COMMODITY SUPPLEMENTAL FOOD PROGRAM ASSOCIATION

Mr. Chairman and Subcommittee Members, thank you for this opportunity to present information regarding the USDA/FNS Commodity Supplemental Food Program (CSFP).

The National Commodity Supplemental Food Program Association (NCSFPA) requests the Senate Agriculture Appropriations Subcommittee fund CSFP for fiscal year 2010 at $203 million and include language directing the Department to utilize all available resources to supplement the CSFP food package and meet the rising demand for nutritional assistance among our vulnerable senior population.

This first effort at national food assistance began in 1969 with monthly packages designed to supplement protein, calcium, iron, vitamins A and C for low-income mothers and children (preceding WIC); nutrients shown to be lacking in the diets of low-income households. Low-income seniors added in 1983 now comprise 93 percent of all CSFP participants.

CSFP is a unique program that brings together federal and state agencies, along with public and private entities, The USDA purchases specific nutrient-rich foods at wholesale prices. State agencies providing oversight, contract with community and faith based organizations to warehouse and distribute food, certify eligibility and educate participants. The local organizations build broad collaboration among non-profits, health units, and area agencies on aging for simple, fast access to the supplemental foods (canned fruits and vegetables, juices, meats, fish, peanut butter, cereals, grain products, cheese and dairy products from American farmers) and nutrition education to improve their health and quality of life. This partnership reaches even homebound seniors in both rural and urban settings with vital nutri-

tion and remains an important "market" for commodities supported under various farm programs.

In fiscal year 2008, the CSFP provided services through 150 non-profit community and faith-based organizations at 1,800 sites located in 32 States, the District of Columbia, and two Indian Tribal Organizations (Red Lake, Minnesota and Oglala Sioux, South Dakota). On behalf of those organizations NCSFPA would like to express our gratitude for the increased fiscal year 2009 funding. However, we are disappointed that the increase in funding did not result in more seniors receiving food.

CSFP's 40 years of service is a testimony to the power of community partnerships of faith-based organizations, farmers, private industry and government agencies. The CSFP offers a unique combination of advantages unparalleled by any other food assistance program:

—The CSFP specifically targets our Nation's most nutritionally vulnerable populations: young children and low-income seniors—many of whom will not qualify for other nutrition assistance programs.

—The CSFP provides a monthly selection of food packages tailored to specific nutritional needs. Eligible participants are guaranteed [by law] a certain level of nutritional assistance, nutrition education, and food preparation guidance each month.

—The CSFP purchases foods at wholesale prices, directly supporting American farmers. The average food package cost is estimated at $23.01 and the retail value is $50.00–$60.00.

—The CSFP involves the entire community. Thousands of volunteers and private companies donate money, equipment, and most importantly time and effort to deliver food to needy and homebound seniors. These volunteers not only bring food but companionship and other assistance to seniors who might have limited support systems. (See Attachment 1)

In a recent CSFP survey, more than half of seniors living alone reported an income of less than $750 per month. One-half of respondents from two-person households reported an income under $1,000 per month. 25 percent were enrolled in the Supplemental Nutrition Assistance Program (SNAP) and 50 percent said they ran out of food during the month. 70 percent of senior respondents said they choose between medicine and food.

The Senate Agriculture Appropriations Subcommittee has consistently supported CSFP, acknowledging it as a cost-effective way of providing nutritious supplemental foods. Last year this subcommittee and all of Congress provided funding for CSFP in direct opposition to its proposed elimination. Your support is again needed to provide adequate resources for the 473,473 mothers, children and seniors current participants; 37,500 low-income participants waiting in six new States, and 110,374 seniors waiting in current states for this vital nutrition program.

CSFP and other nutrition programs such as SNAP, are only supplemental programs by design. Together they cover a shortfall that many seniors face each month. These programs must have support to meet the increasing need as part of the "safety net".

"The Managers fully support continued operation of this program and recognize the need for a substantial expansion of CSFP. the Managers encourage the Secretary to approve all remaining states for expansion and to expand caseload in all participating states." Joint Statement of Managers, H.R. 2419, the Food, Conservation and Energy Act of 2008.

"CSFP has charms worth considering in designing human service programs the program's trademarks were its simplicity and accessibility . . . CSFP in particular represents a guaranteed source of high quality food, delivered in a balanced package." The Role of CSFP in Nutritional Assistance to Mothers, Infants, Children and Seniors. The Urban Institute, August 2008.

The National Commodity Supplemental Food Program Association requests the following:

To continue serving the 473,473 needy seniors (93 percent of participants), women, infants and children (7 percent of participants) currently enrolled in CSFP—$164 Million.

To meet USDA's commodity procurement expenses—$0.8 Million.

To respond to the needs of 37,500 eligible seniors in the 6 States with USDA approved plans: Arkansas (5,000), Delaware (2,500), Oklahoma (5,000), New Jersey (5,000), Utah (3,000) and Georgia (10,000)—$9.3 Million.

To meet the increased demand/need of an additional 110,374 at risk seniors in 32 States per requests turned into USDA by current CSF programs nationwide—$28.6 Million.

Appropriation needed to maximize this program's effectiveness in serving 621,347 seniors, women, infants and young children challenged by hunger and malnutrition in our Nation—$203 Million.

A 1997 report by the National Policy and Resource Center on Nutrition and Aging at Florida International University, Miami—Elder Insecurities: Poverty, Hunger, and Malnutrition indicated that malnourished elderly patients experience 2 to 20 times more medical complications, have up to 100 percent longer hospital stays, and incur hospital costs $2,000 to $10,000 higher per stay. Proper nutrition promotes health, treats chronic disease, decreases hospital length of stay and saves health care dollars. America is aging. CSFP must be an integral part of Senior Nutrition Policy and plans to support the productivity, health, independence and quality of life for America's seniors, many of whom now need to continue working at least part-time beyond retirement age to afford basics.

The National CSFP Association recommends the following:

—Support and expand the program in those states that have a need and interest in the CSFP, including the 6 States that already have USDA-approved plans to operate CSFP (Arkansas, Delaware, New Jersey, Oklahoma, Utah and Georgia) and states demonstrating a willingness to expand current CSFP services to meet rising demand.

— Provide language encouraging the U.S. Department of Agriculture to utilize all available resources to meet the rising demand for this nutritional support.

—The CSFP is committed grassroots operators and dedicated volunteers with a mission to provide quality nutrition assistance economically, efficiently, and responsibly always keeping the needs and dignity of our participants first. We commend the Food Distribution Division of Food and Nutrition Service of the Department of Agriculture for their continued innovations to strengthen the quality of the food package and streamline administration.

FISCAL YEAR 2008 NATIONAL CSFP ASSOCIATION ADMINISTRATIVE EXPENSE/VALUE SURVEY

Programs	USDA Reimbursed Cash	Not Reimbursed by USDA Cash	CSFP Expenditures Cash	Goods & Services donated to agency Value	Volunteer Labor Hours Value	Annual Total Program Value	Percent Paid by USDA	Extra Goods donated to CSFP participants
New Hampshire	$461,361	.....	$461,361	.....	$61,121	$522,482	88	$16,097
New York	1,947,032	$2,500,000	4,447,032	$20,700	3,984	4,471,716	44	6,500
Vermont FB	233,132	.....	233,132	.....	.....	233,132	100	.....
Washington, DC	434,945	1,600,000	2,034,945	800,000	173,632	3,008,577	14	.....
Pennsylvania	912,209	18,637	930,846	32,169	48,259	1,011,274	90	100,000
Kentucky	980,911	64,645	1,045,556	.....	24,577	1,070,133	92	624,093
Mississippi	437,969	.....	437,969	30,520	199,906	668,395	66	7,104
North Carolina	75,126	.....	75,126	.....	.....	75,126	100	.....
South Carolina	232,192	.....	232,192	.....	1,342	233,534	99	22,500
Tennessee [1]	840,812	.....	840,812	.....	.....	840,812	100	.....
Illinois	869,405	.....	869,405	.....	25,643	895,048	97	.....
Indiana	269,732	25,000	294,732	25,000	68,502	388,234	69	32,189
Michigan	4,861,625	314,317	5,175,942	310,168	1,722,543	7,208,653	67	4,637,316
Minnesota	881,829	319,848	1,201,677	2,213	449,733	1,653,623	53	864,844
Red Lake, MN [1]	6,204	.....	6,204	.....	.....	6,204	100	.....
Ohio	978,890	198,896	1,177,786	65,770	328,264	1,571,820	62	85,774
Wisconsin	316,547	50,000	366,547	.....	275,406	641,953	49	54,610
Louisiana	4,089,578	.....	4,089,578	330,000	1,104,420	5,523,998	74	.....
New Mexico	1,032,128	129,911	1,162,039	248,791	233,955	1,644,785	63	479,843
Texas	997,895	157,200	1,155,095	.....	297,774	1,452,869	69	.....
Colorado	1,104,198	67,533	1,171,731	57,449	119,319	1,348,499	82	1,343,961
Iowa	216,086	353,367	569,453	.....	13,463	582,916	37	.....
Kansas	328,548	7,200	335,748	10,000	83,642	429,390	77	89,519
Missouri	583,040	.....	583,040	.....	16,608	599,648	97	.....
Montana [1]	425,091	.....	425,091	.....	.....	425,091	100	.....
Nebraska	820,898	75,529	896,427	40,470	301,447	1,238,344	66	70,479
North Dakota [1]	175,413	.....	175,413	.....	.....	175,413	100	.....
South Dakota	176,228	8,416	184,644	.....	26,464	211,108	83	.....
Ogala Sioux, SD [1]	40,360	.....	40,360	.....	.....	40,360	100	.....
Alaska	134,803	63,000	197,803	1,015,000	104,235	1,317,038	10	.....
Arizona	940,739	252,000	1,192,739	2,000	184,312	1,379,051	68	2,000,000
California	3,373,339	580,027	3,953,366	35,400	1,248,232	5,236,998	64	379,140
Nevada	371,461	174,278	545,739	.....	24,960	570,699	65	179,400
Oregon	84,166	96,573	180,739	4,436	44,317	229,492	37	5,200

Washington	228,871	7,500	236,371	208,000	90,076	534,447	43	.....
Grand Total	29,862,763	7,063,877	36,926,640	3,238,086	7,276,137	47,440,863	63	11,306,319

[1] No information provided Feb. 24, 2009 Client Extras incl.: flu shots, fresh produce, clothing, books, toys, health screenings, personal care items, energy efficient items, dairy, baked goods, eye exams, etc.

PREPARED STATEMENT OF THE NATIONAL COOPERATIVE BUSINESS ASSOCIATION

The National Cooperative Business Association, which represents all types of cooperatives, appreciates the opportunity to submit testimony on the request for a funding level of $8.25 million for the Rural Cooperative Development Grant (RCDG) program in the Rural Development Agency of the U.S. Department of Agriculture. This request includes funds to work in areas of high national priority including helping to create worker owned enterprises, e.g., worker ownership succession of existing rural businesses; health care; renewable energy and energy efficiency; and affordable housing.

Background.—The RCDG program is a competitive grants program, administered by USDA's Rural Development, Rural Business—Cooperative Services Program. RCDG provides matching grant funding to nonprofits or institutions of higher education that operate cooperative development centers primarily serving farmers and groups seeking to form cooperatively owned businesses in rural areas.

Cooperative development centers use the grants to fund critical technical assistance for economic development, such as legal and accounting assistance, feasibility studies, business planning, board education, and other services that help ensure the success of these businesses. The centers have helped start or expand more than 400 cooperative businesses that have created over 5,800 new rural jobs in virtually every sector of the economy. Investment in these cooperatives exceeds $900 million.

President Obama recognized the critical nature of the RCDG program in his budget outline. He included rural cooperative development grants among the five Rural Development programs needed "to spur the development of small business and value-added agriculture in rural America."

The program, begun in 1993, is authorized at $50 million, but has never been appropriated at more than $6.5 annually despite the demand and cost effectiveness of the program. USDA typically receives 40–50 applications for funding annually, but historically has only been able to fund 20–25 centers. In fiscal year 2008, approximately $4.6 million was available for RCDG grants, with a maximum grant award of $200,000 per center. Another $500,000 was appropriated in this section for research on the impact of cooperative businesses, and $1.2 million for grants to minority-owned cooperatives, for a total appropriation of approximately $6.4 million.

This program leverages a small amount of funding into much larger amounts while it promotes ownership and entrepreneurship. While the program requires a 25 percent match, centers have been leveraging dollar for dollar this funding with non-federal funding sources. The RCDG program is the only dedicated source of federal funding supporting the cooperative development centers.

The Need for Assistance From Centers.—The Centers play a critical role in identifying and assisting new businesses to gain access to public funding, especially USDA loan and grant programs. Congress recognized the need when it developed the program and stated that "the Committee hopes *to link cooperatives from different communities and different sectors of the economy to strengthen the cooperative movement as a whole*." (emphasis added) Federal Agriculture Improvement and Reform Act of 1996, Conf.Rep., p. 432.

One of the ways Congress tried "to strengthen the cooperative movement as a whole" with the program was to "emphasiz[e] job creation in rural areas through the development of rural cooperatives, value added processing, and rural businesses." (Conf.Rep., p. 431).

At a time when rural America is in desperate need of jobs, the centers are well-situated to assist in an efficient and effective disbursement of economic stimulus and other funds to rural areas in need. But in order to do this, Congress needs to increase the maximum grant for centers back closer to historic levels. Under current funding, the maximum grant request for RCDG has been reduced from $300,000 in fiscal year 2005 to $200,000 currently, resulting in a significant reduction in support for core center operations, compounded by the effect of inflation. To bring funding up to an adequate level, we urge this subcommittee to provide $8.25 million for the RCDG program in this year's appropriations bill.

The Fiscal Year 2010 Request.—The request this year is for $8.25 million, which includes the following:

—$4.6 million for general rural cooperative development grants to centers proposing to work in any area of rural cooperative development;

—$2.0 million to be awarded to those successful RCDG applicants who have both a demonstrated track record and that propose to conduct rural cooperative development in the following areas of high national priority: creation of worker owned enterprises, including worker or community ownership succession of existing rural businesses; health care; renewable energy and energy efficiency, and affordable housing. Such applicants may request up to $75,000 in supple-

mental grant awards to fund work in these areas of national priority. Funds not used for these purposes may be used by USDA to fund additional RCDG grants.

—$450,000 for research on the economic impact of all types of cooperatives.

—$1.2 million for grants to minority-owned cooperatives.

This request would allow USDA to competitively award $200,000 each to approximately 23–25 centers. Of these awardees, centers with both a track record and a proposal to work in one or more of the specified areas of national priority would be able to request an additional $75,000, for a total award of $275,000. Funding for minority-owned cooperatives would be funded at the same level, and funding for research would be reduced by $50,000 from fiscal year 2008 levels.

Addressing High Priority Rural Economic Needs.—This request addresses high priority needs by providing increased support for work in areas that are critical to retaining and creating employment, improving health care, creating affordable housing, and reducing dependence on fossil fuels. Successful cooperative solutions have been demonstrated in each of these critical areas in various places throughout the country. Technical assistance is required to replicate and broadly extend those successful models.

Rural America is populated with a number of profitable companies where rural jobs are at risk of loss due to a failure of succession planning, where aging or retiring owners do not have heirs that are interested or capable of taking over the business. Transfer to employee or community ownership is a good option in these cases, as these jobs then are retained in communities instead of being outsourced to urban or foreign buyers. But there must be business assistance infrastructure available before the owner is ready to retire or the business closes. Cooperative development centers can provide this assistance.

Health care delivery is a major issue affecting rural areas, where most of America's aging population resides. Demonstrated opportunities for cooperative development include worker-owned home health care cooperatives, purchasing or shared services cooperatives for rural hospitals, and others. Harvard's Kennedy School of Government highlighted worker-owned home health care businesses as an award winning solution to providing jobs and benefits to rural workers while increasing the quality of care that allow aging rural residents to stay in their homes.

Creation of affordable rural housing is an on-going need, made even more urgent by the nation's housing and foreclosure crisis. Substantial cooperative successes have been achieved by the conversion of manufactured home parks on rented lots to resident-owned communities. These co-ops have stabilized the availability of housing, and created greater long-term security for residents.

Successful cooperative development can also be seen in response to both the need for renewable energy production (such as through ethanol and biodiesel cooperatives), and through consumer-owned energy cooperatives aimed at energy conservation and efficiency.

The 2008 farm bill made changes to the program including allowing the award of grants on a multi-year basis and a provision for USDA to conduct ongoing research on the economic impact of cooperatives. The changes are designed to make more effective and efficient use of the ongoing capacity and expertise developed by co-op development centers around the country.

Ongoing Research on Cooperatives.—The request includes $450,000 for a cooperative research agreement between USDA and a qualified academic institution to continue research on the national economic impact of cooperatives. The research money is needed to continue tracking information on the number, type and economic impact of cooperatives across America and to assess the effectiveness of the RCDG program.

In April, the first results of the federally supported research on the economic impact of cooperatives were released, showing significant contribution of the co-op sector to the U.S. economy—73,000 firms own more than $3 trillion in assets, generate over $650 billion in revenues and pay more than $75 billion in wages for 2 million jobs.

While these results are a start, the 2008 farm bill requires USDA to conduct ongoing research on the economic impact of all types of cooperatives. This research can be used to track performance of cooperatives, how much capital is recycled into local economies, the success of Federal funds targeted at cooperative development, and determining other economic as well as social benefits of cooperatives. The fiscal year 2010 RCDG appropriation should include funding for this critical research.

Funding History.—The program has received funding since 1993. Previous funding levels (including RCDG grant funding, research funding, and grant funding to minority-owned co-ops): Fiscal year 2009 $6.18 million; fiscal year 2008 $6.423 mil-

lion; fiscal year 2007 $6.4 million;[1] fiscal year 2006 $6.4 million; fiscal year 2005 $6 million; fiscal year 2004 $6.5 million; fiscal year 2003 $6.5 million; fiscal year 2002 $5.25 million; fiscal year 2001 $4.5 million; fiscal year 2000 $4 million; fiscal year 1999 $1.75 million; fiscal year 1998 $1.7 million; fiscal year 1997 $1.7 million; fiscal year 1996 $1.33 million; fiscal year 1995 $1 million; fiscal year 1994 $750,000; and fiscal year 1993 $700,000.

Conclusion.—We appreciate this opportunity to provide information about the request for $8.25 million for the Rural Cooperative Development Grant Program. We urge the Subcommittee to support the request.

PREPARED STATEMENT OF THE NATIONAL COTTON COUNCIL

The National Cotton Council welcomes the opportunity to provide the following recommendations and requests for fiscal year 2010 appropriations funding for selected programs under the jurisdiction of the subcommittee which make important contributions to our industry's ability to compete and prosper in a world market.

We are requesting $23.39 million for APHIS for the Joint Cotton Pests Account and sufficient funding to continue the Farm Service Agency's authority to make up to $100 million in loans to eligible Foundations to be used in conducting activities related to the boll weevil and pink bollworm eradication programs. The industry requests an additional $700,000 above current funding ($1.54 million) be made available to ARS to be used to add a research position at the ARS Gin Lab located at Lubbock, TX. Adequate cost-share funding and loan authority to facilitate the successful completion of the boll weevil and the pink bollworm eradication programs; continued development of new technology through research; sufficient financial resources, personnel and computer equipment for FSA and FAS to successfully carryout their respective missions; and, funding for demand building export programs including MAP, FMD and GSM export credit guarantees are all essential to the cotton industry. The National Cotton Council also strongly supports the provisions of the 2008 farm law.

The National Cotton Council of America (NCC) is the central organization of the U.S. cotton industry representing growers, ginners, warehousemen, cottonseed interests, merchants, cooperatives and manufacturers whose primary business operations are located in 18 cotton producing States. Cotton Council International (CCI) is the overseas promotion arm of the cotton industry. NCC represents producers who cultivate between 10 and 14 million acres of cotton. Annual cotton production averaging approximately 20 million 480-lb bales is valued at more than $5 billion at the farm gate. While a majority of the industry is concentrated in the 18 cotton-producing States, the down-stream manufacturers of cotton apparel and home-furnishings are located in virtually every State. The industry and its suppliers, together with the cotton product manufacturers, account for more than 230,000 jobs in the United States. In addition to the cotton fiber, cottonseed products are used for livestock feed, and cottonseed oil is used for food products ranging from margarine to salad dressing. Taken collectively, the annual economic activity generated by cotton and its products in the U.S. economy is estimated to be in excess of $120 billion.

FUNDING PRIORITIES

Joint Cotton Pests (APHIS).—The National Cotton Council requests $23.39 million for APHIS to provide a Federal Cost Share for Boll Weevil Eradication and Pink Bollworm Eradication programs which were combined in fiscal year 2008 into a joint cotton pest account. As these programs near completion, the cost share funding for APHIS is even more critical to insure the complete eradication of these cotton pests for the benefit of those in post eradication maintenance areas. Additional details for the Boll Weevil Eradication Program and the Pink Bollworm Eradication Program are provided below as separate programs.

Boll Weevil Eradication (APHIS—Cotton Pests).—The National Cotton Council requests $15.1 million for APHIS to provide a Federal cost share of approximately 30 percent to active boll weevil eradication programs underway in Texas. Cotton in the active eradication zones of Texas will require program activity in 2010 to continue progress toward full eradication. A large portion of this area is in habitats favorable to the boll weevil, primarily in the Southeast third of the State. For example, in central and south Texas, the boll weevil is especially adapted to the milder winter temperatures, longer growing seasons, and more humid summertime conditions. The

[1] $900,000 that was appropriated to program for fiscal year 2007 in the Continuing Resolution was taken out of program to fund another program.

lack of "killing frost" permits escape cotton plants (plants growing in non-cotton field habitats like ditch, fence row, etc.) to thrive year long, thus providing a source for sustained life and reproduction of boll weevils. Extra efforts have been employed to locate and remove these escape plants. Additionally, several zones in Texas have encountered significant costs because of weevils migrating out of the zones with high weevil populations into adjacent zones with near eradication levels of weevils. Studies have indicated this movement has been enhanced by hurricane winds. Even with these significant challenges, progress toward full eradication continues to be made.

The program continues to produce documented economic and environmental benefits. Cotton in the United States was produced in 2007 with an average of only 2.78 sprays per acre for all insects. This compares to 15 to 20 applications per acre prior to adoption of Bt cotton for worm control and implementation of boll weevil eradication.

Nationally, USDA estimates that 94 percent of the U.S. cotton acreage is now free of boll weevils. Additionally, Mexico continues eradication programs in cotton areas along the U.S./Mexico border.

Adequate Federal cost-share funds are critical to timely completion, especially since eradication is within sight. APHIS should be directed to make every effort to minimize overhead and administrative expenses for boll weevil eradication to ensure maximum funding reaches field operations.

The fiscal year 2010 boll weevil request is less than fiscal year 2009 and continues the annual reduction in keeping with our commitment to reduce Federal cost-share funding as the program moves toward completion.

Boll Weevil Eradication (FSA).—The National Cotton Council requests sufficient funding to allow FSA to make at least $100 million in loans to eligible Boll Weevil Eradication Foundations. The Council also strongly supports providing FSA with continued authority to make loans for activities associated with the pink bollworm eradication program as previously provided in the fiscal year 2005 appropriations legislation.

Pink Bollworm Programs (APHIS—Cotton Pests).—The National Cotton Council requests $8.29 million for the APHIS pink bollworm program. This will provide $2.14 million for indirect and direct costs to APHIS and the residual $6.15 million "Net to Field" will be for program operations. The Pink Bollworm Eradication Program originally was planned for a three phase expansion over several years. Insufficient funding resulted in Phase III being divided into Phase III(a) and Phase III(b) to allow partial expansion in fiscal year 2007. However, data revealed mass late season migration spilled into areas in eradication from outside eradication. Fiscal year 2008 marked the first year to expand into the last remaining areas of infestation. The fiscal year 2010 request is less than the fiscal year 2009 request as a result of a reduction in sterile moth releases needed in some areas.

The Pink Bollworm Eradication Program is based predominately on the mass release of sterile insects generated by a rearing facility located in Phoenix, AZ. Although this technique is favored over conventional insecticide spray application, the rearing costs include items related to fuel to maintain facility temperature most favorable to the insect and to soybean meal, a major diet ingredient. Soybean meal has almost doubled in cost (2007 vs. 2008). Insect rearing costs alone account for over $4 million of the budget. The shipping and mass release of these sterile insects via airplane over areas of California, Arizona, New Mexico, and Texas has increased due to fuel price increases. Costs have also greatly increased for the plastic raw material used to manufacture the trays that contain the insects during rearing.

The Bi-National Pink bollworm eradication program has been implemented in three phases, with the final expansion started in 2008, to eliminate pink bollworm as a cotton pest in Texas, New Mexico, Arizona, California and adjacent cotton areas in Northern Mexico. It was expected that fiscal year 2009 would be the peak request for the program. Subsequent years are expected to require less support due to successful eradication in the earliest phases of the program. It is anticipated that fiscal year 2010 needs will meet that expectation. Mexico remains a partner in the eradication effort and continues to expand eradication programs along the border in conjunction with the United States.

The funds requested for fiscal year 2010 will enable the Phoenix Pink Bollworm Rearing Facility to rear and release up to 20 million sterile pink bollworm moths per day to supply program needs. The Phoenix Pink Bollworm Rearing Facility (PBRF) is a partnership between the California growers and APHIS. The cost share for pink bollworm is essential to provide APHIS expertise and operational coordination in mass rearing and daily area-wide aerial releases of millions of moths.

Market Access Program (MAP).—The National Cotton Council strongly supports funding levels authorized in 2008 farm law. Cotton Council International (CCI) ac-

tively promotes exports of U.S. cotton and cotton products in Asia, Europe, Africa, and Central and South America. Activities carried out using MAP (and FMD) have been responsible for increased export sales of cotton fiber and value-added cotton products. The value of U.S. cotton fiber exports exceeds $4 billion, and exports of value-added cotton products contribute an additional $6 billion to the overall value of cotton exports. For every $1 in MAP and FMD funds, CCI has generated matching contributions of over $4.00.

Foreign Agriculture Service (FAS).—The industry supports sufficient funding to ensure FAS is adequately staffed to carry out important market development and trade enhancing functions in headquarters and abroad.

Foreign Market Development (FMD).—The FMD program is used to encourage and support U.S. commodity groups to undertake long-term market development and trade servicing. FMD is currently funded at $34.5 million and requires at least a dollar-for-dollar industry match. The industry requests that funding be continued at the same level as provided for fiscal year 2009.

Farm Service Agency (FSA).—Provide adequate funding so the agency can continue to deliver essential farm and conservation programs and services.

Agricultural Research Service (ARS).—The industry is concerned with current support provided to this agency. The agency has faced a flat budget for most of the recent past fiscal years since 2001 and when not flat, its budget has suffered cuts. We respectfully request that this agency be considered for increased overall funding to allow the valuable research conducted on behalf of all agriculture to continue at sustainable levels. We specifically urge the subcommittee to provide increased base funding for the following research facility:

Lubbock, TX Cotton Production and Processing Research Unit (Ginning Lab) of the Cropping Systems Research Laboratory (ARS)—$2.27 million.—The request for $2.27 million in annual operating budget represents an increase of $700,000 from the funding levels provided in fiscal year 2008 and fiscal year 2009. This cotton ginning research facility is specifically equipped for research into the stripper harvested cotton production systems on the Texas High Plains, the largest contiguous production region in the United States. This unit is the only research unit within the ARS system that has a cotton harvesting research component of any type and while, historically, the unit's focus has been on stripper harvesting, the region's producers have in recent years been able to utilize new cultivars of upland cottons, adapted for their region, with vastly improved qualities that are best preserved if harvested by a machine picker rather than by a machine stripper. Research into best possible harvest alternatives is vital for this region's production to take advantage of international market preferences for longer, stronger cotton fiber and provide for continued profit improvements for the growers of this region.

Historically this unit has been staffed with four full time scientists (4-SY's). In recent years, however, the lab has been operating with only 3-SY's, with the harvest focused position vacant due to retirement. Currently, harvest research is being conducted by a talented post-doctoral fellow with supplemental funds provided by industry through a grant from Cotton Incorporated, which is necessary to cover his direct salary and support functions. While this is a much appreciated stop gap approach, it is imperative for the long term viability of the unit for a fourth full time scientist position to be restored with appropriate support. ARS administrators indicate that this requested funding level will support a fourth scientist, long term, as well as provide for the necessary indirect support necessary for a viable 4-SY unit.

Also included in this request is funding of critical cotton ginning particulate matter emissions research impacting all production regions which is conducted at this location. The development of this first class particulate emissions laboratory has become a valuable resource for determining and characterizing particulate emissions for many agricultural operations in addition to cotton ginning. In addition, this laboratory cooperates in research to improve Grain Sorghum Cold Tolerance, thus improving production of this valuable feed grain on the High Plains. Grain Sorghum is an important ingredient in animal feeds and as a feedstock for ethanol production.

All of these activities are in addition to the basic ginning research necessary for support of the Texas and Southwest Region's cotton production industry.

Thank you for your consideration of the cotton industry's recommendations for funding for programs under the subcommittee's jurisdiction for fiscal year 2010.

PREPARED STATEMENT OF THE NATIONAL ENVIRONMENTAL SERVICE CENTER

Thank you for the opportunity to offer testimony to the Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies.

We request $1.5 million for the National Drinking Water Clearinghouse (NDWC), a program that provides water infrastructure services for small communities and rural areas nationwide.

Introduction

My name is Gerald Iwan. I serve as executive director of the National Environmental Services Center (NESC), located at West Virginia University in Morgantown, West Virginia. Previously, I was for 20 years the drinking water administrator for the State of Connecticut Department of Public Health, during which time I oversaw the implementation of all regulatory aspects of the Safe Drinking Water Act (SDWA). In my present assignment with NESC, I manage a unique program with nationally recognized expertise in drinking water, wastewater, and small community infrastructure security and emergency preparedness. NESC provides specialized technical assistance and training services and is an in-depth repository of information to small and rural communities nationwide.

Water and Wastewater Infrastructure Challenges

Approximately 42,000 small and rural communities across the country with populations of 3,300 or fewer people receive their drinking water from small, community-operated water systems (EPA, 2009). These systems are mandated to comply with the Safe Drinking Water Act in providing reliable and safe water services. The system operators typically have limited financial, human and equipment resources. These systems account for the majority of SDWA violations. The USDA's Water and Wastewater Grants and Loans program may be the only option small system operators have to obtain funding to address necessary system improvements. Organizations such as the NDWC can provide reliable technical assistance in advising the system operators and in helping them to overcome the many challenges they face in complying with local, State and Federal regulations.

Recognizing these challenges, the USDA makes funds available through the "Rural Water and Wastewater Technical Assistance and Training (RWTA) Programs" under authorization provided in the Consolidated Farm and Rural Development Act (the Farm Bill). The National Drinking Water Clearinghouse is one RWTA program. We have been funded by USDA for 18 years to help communities and rural areas identify and evaluate solutions to water or wastewater problems, improve facility operation and maintenance, and prepare funding applications for water or wastewater treatment facility construction projects.

Deliverables Provided by the NDWC

The NDWC serves local officials, utility managers, system operators and RWTA professionals in small and rural communities. Congressional support would enable us to provide the following deliverables to our stakeholders. Telephone callers would obtain toll-free drinking water technical assistance from our staff of certified operators, engineers, and scientists. Our quarterly publication "On Tap," a magazine for small drinking water systems, provides information about water treatment, financing, and management options and would be distributed free of charge to 26,000 subscribers. A comprehensive Web site www.NESC.wvu.edu and databases with thousands of entries will be maintained to provide "round the clock" access to contemporary information for small water systems. Training sessions customized for small and rural areas, teleconferences, and more than 600 free and low-cost educational products would be provided to give people the instruction and tools they need to address their most pressing drinking water issues. Our staff of experts will be available to visit small communities, if invited, to offer in-the-field assessments and advice to the host communities.

We anticipate an even greater need for NDWC services in 2010 due to the current recession and the federal effort to stimulate the economy through infrastructure projects. Stimulus funding in the water sector has been so far predominately directed to construction, with little or no funding directed to support water and wastewater facility operation and maintenance, or for technical assistance programs such as provided by the NDWC. Small and ruralcommunities will need increased support from units such as ours to plan for and protect their current and future utility assets. The NDWC has accordingly expanded its scope of deliverables for fiscal year 2010 to provide additional services. It is imperative that the NDWC continues to receive funding from the Technical Assistance and Training Grants (TAT) account to assist small communities with their drinking water systems and associated concerns related to protecting drinking water supplies from contamination.

Request

In order to provide services to meet this national need, we request a congressionally directed appropriation of $1.5 million to continue and increase the NDWC pro-

gram services through the Technical Assistance and Training (TAT) Grants account. Thank you for considering our request.

PREPARED STATEMENT OF THE NATIONAL ORGANIC COALITION

My name is Steven Etka. I am submitting this testimony on behalf of the National Organic Coalition (NOC) to detail our requests for fiscal year 2010 funding for several USDA marketing, research, and conservation programs of importance to organic agriculture.

The National Organic Coalition (NOC) is a national alliance of organizations working to provide a voice for farmers, ranchers, environmentalists, consumers, cooperative retailers and others involved in organic agriculture. The current members of NOC are the Beyond Pesticides, Center for Food Safety, Equal Exchange, Food and Water Watch, Maine Organic Farmers and Gardeners Association, Midwest Organic and Sustainable Education Service, National Cooperative Grocers Association, Northeast Organic Dairy Producers Alliance, Northeast Organic Farming Association-Interstate Policy Council, Rural Advancement Foundation International—USA, and the Union of Concerned Scientists.

We urge the Subcommittee's strong consideration of the following funding requests for various USDA programs of importance to organic farmers, marketers and consumers:

USDA/Agricultural Marketing Service (AMS)

National Organic Program—Request: $8 million

In fiscal years 2006 and 2007, funding of $2.026 was appropriated for the National Organic Program within the AMS budget. For fiscal year 2008, in keeping with the President's budget request for the program, $3.18 million was appropriated for the National Organic Program. The NOP appropriation grew again in fiscal year 2009 to a funding level of $3.867 million.

Sales of organic food and beverages continue to grow at an average rate of 20 percent per year in this country. While funding levels for USDA's National Organic Program (NOP) have grown in recent years, the growth in resources for this regulatory agency has not kept pace with the market growth of the organic sector.

For NOP to be a credible regulator and enforcer of the USDA organic label, resources must increase significantly, and long overdue policies must be established within NOP to ensure consistency in the standards, transparency in the standards setting process, and proper enforcement. If the funding for this program does not expand significantly to meet the growing needs, we fear that the important work of the NOP will suffer, the integrity of the organic standards will be jeopardized, and public confidence in the USDA organic label will be eroded.

Specifically, the Members of the National Organic Coalition urge the Committee to funding the National Organic Program at $8 million for fiscal year 2010, as authorized by Section 10303 of the Food, Conservation, and Energy Act of 2008, and to include language directing NOP to undertake the following critical activities, as established by the Organic Foods Production Act (OFPA) of 1990.

—Establish a Peer Review Panel, as called for in Section 2117 of the Organic Foods Production Act (OFPA) of 1990, and Section 205.509 of USDA's own organic regulations; to provide oversight of USDA's accreditation process for organic certifying agents.

—Reinstate funding for independent, scientific reviews of substances proposed for use in organic agriculture, as required by OFPA. Historically, the National Organic Standards Board (NOSB) has had the benefit of independent scientific reviews, called Technical Advisory Panel (TAP) reviews, of any substance proposed for use in organic agriculture, to make sure that its use is compatible with the purposes of OFPA. However, in recent years, USDA has denied funding for these independent TAP reviews, leaving the NOSB with little information on which to base these important decisions.

—Make the NOP budget fully transparent and accountable to the public, by publishing the details of the budget on the NOP website.

—Finalize the pending pasture rule for organic livestock, and initiate rulemaking to address the issue of the origin of livestock.

USDA

Organic Data Initiatives

Authorized by Section 7407 of the 2002 Farm Bill, the Organic Production and Marketing Data Initiative States that the "Secretary shall ensure that segregated data on the production and marketing of organic agricultural products is included

in the ongoing baseline of data collection regarding agricultural production and marketing." Section 10302 of the Farm, Conservation, and Energy Act of 2008 amends the provision further to provide mandatory funding, and to provide further authorization for $5 million annually in discretionary funds for this effort.

As the organic industry matures and grows at a rapid rate, the lack of national data for the production, pricing, and marketing of organic products has been an impediment to further development of the industry and to the effective functioning of many organic programs within USDA. The organic data collection and analysis effort at USDA has made significant strides in recent years, but remains in its infancy. Because of the multi-agency nature of data collection within USDA, organic data collection and analysis must also be undertaken by several different agencies within the Department: We are requesting the full $5 million to be appropriated for this initiative, to be divided between the three main data collection sub-agencies as follows:

Economic Research Service (ERS).—Collection and Analysis of Organic Economic Data—Request: $1.5 million

Agricultural Marketing Service (AMS).—Collection and Analysis of Organic Economic Data—Request: $3 million

National Agricultural Statistic Service (NASS).—Organic Production Data—Request: $500,000

USDA/CSREES

Organic Transitions Program—Request: $5 million

The Organic Transition Program, authorized by Section 406 of the Agricultural Research, Education and Extension Reform Act (AREERA) for Integrated Research Programs, is a research grant program that helps farmers surmount some of the challenges of organic production and marketing. As the organic industry grows, the demand for research on topics related to organic agriculture is experiencing significant growth as well. The benefits of this research are far-reaching, with broad applications to all sectors of U.S. agriculture, even beyond the organic sector. Yet funding for organic research is minuscule in relation to the relative economic importance of organic agriculture and marketing in this nation. Starting in fiscal year 2009, the program has been administered in combination with the CSREES Water Quality integrated research program, to study the watershed impacts of organic systems.

The Organic Transition Program was funded at $2.1 million in fiscal year 2003, $1.9 million in fiscal year 2004, $1.88 million for both fiscal year 2005 and 2006, $1.855 million for fiscal year 2007 and 2008, and 1.842 million in fiscal year 2009. Given the rapid increase in demand for organic foods and other products, and the growing importance of organic agriculture, this important research program should be growing instead of contracting. Therefore, we are requesting that the program be funded at $5 million in fiscal year 2010.

USDA/CSREES/Agriculture and Food Research Initiative (AFRI)

Request: Report language on Conventional/Classical Plant and Animal Breeding

In recent decades, public resources for classical plant and animal breeding have dwindled, while resources have shifted toward genomics and biotechnology, with a focus on a limited set of major crops and breeds. This problem has been particularly acute for organic and sustainable farmers, who seek access to germplasm well suited to their unique cropping systems and their local environment.

Ever year since fiscal year 2005, the Senate Agriculture Appropriations Subcommittee has included report language raising concerns about this problem, and urging CSREES to give greater consideration to research needs related to classical plant and animal breeding, when setting priorities within the National Research Initiative. Despite this report language, research proposals for classical plant and animal breeding that have sought NRI funding in the recent years have been consistently declined.

In Section 7406 of the Food, Conservation, and Energy Act of 2008, the National Research Initiative was merged with the Initiative for Future Agriculture and Food Systems to become the Agriculture and Food Research Initiative (AFRI). Congress included language within the AFRI to make "conventional" plant and animal breeding a priority for AFRI research grants, consistent with the concerns expressed by Appropriations Committee in the three preceding appropriations cycles.

When CSREES released its AFRI Program Announcement in December of 2008, it invited research proposals on conventional/classical plant and animal breeding. However, when researchers submitted their initial letters of intent spelling out their research topics in the arena, they were nearly all rejected in the pre-proposal stage.

Therefore, we are requesting that report language be added to the CSREES/AFRI section of the report, stating the following:

"While the Committee is pleased that the new AFRI program language is now encouraging classical or conventional plant and animal breeding initiatives, we are concerned by the lack of progress in funding of actual projects in this research arena. The Committee urges USDA to make further progress by creating a clear, separate and on-going category of research funding for conventional/classical plant and animal breeding within AFRI, with adequate funding allocations to meet this critical and growing need."

USDA/CSREES

Sustainable Agriculture Research and Education (SARE) Request: $25 Million (Research and Education Grants) and Education (SARE) and $5 Million (Professional Development Grants)

The SARE program has been very successful in funding on-farm research on environmentally sound and profitable practices and systems, including organic production. The reliable information developed and distributed through SARE grants have been invaluable to organic farmers. For fiscal year 2010, we are requesting $25 million for research and education grants and $5 million for professional development grants.

USDA/Rural Business Cooperative Service

Appropriate Technology Transfer for Rural Areas (ATTRA)—Request: $3 million

ATTRA, authorized by Section 6016 on the Food, Conservation, and Energy Act of 2008, is a national sustainable agriculture information service, which provides practical information and technical assistance to farmers, ranchers, Extension agents, educators and others interested and active in sustainable agriculture. ATTRA interacts with the public, not only through its call-in service and website, but also provides numerous excellent publications written to help address some of the most frequently asked questions of farmers and educators. Much of the real-world information provided by ATTRA is extremely helpful to both the conventional and organic communities, and is available nowhere else. As a result, the growth in demand for ATTRA services has increased significantly, both through the website-based information services and through the growing requests for workshops. We are requesting $3 million for ATTRA for fiscal year 2010.

USDA/ARS

Organic Agricultural Systems Research—Request: Devote "Fair Share" of ARS Research Dollars, Commensurate With Organic's Retail Market Share (Approximately $33 Million), to Direct Organic Research.

USDA research programs have not kept pace with the growth of organic agriculture in the marketplace. Although organic currently represents nearly 4 percent of total U.S. food retail market, the share of USDA research targeted to organic agriculture and marketing is significantly less. With regard to ARS specifically, efforts have been made to devote greater resources to organic research. The current total funding for direct organic projects within ARS is about $14 million, about 1.5 percent of the ARS budget. Despite this progress, much more needs to be done in this area. We are requesting that a "fair share" of ARS expenditures (approximately $33 million annually) be devoted to direct organic projects, using organic's retail market share as a basis of comparison to the conventional sector. This should include the establishment of a clearinghouse for disseminating organic research information through the National Agricultural Library, Alternative Farming Systems Information Center (NAL–AFSIC).

USDA/NRCS

Conservation Stewardship Program—Request: No Funding Limitation

USDA/Rural Business Cooperative Service

Value-Added Producer Grants—Request: $40 million

The Conservation Security Program (authorized by Section 2001 of the 2002 farm bill) and the Value-Added Producer Grant (authorized by Section 6401 of the 2002 farm bill) have great potential to benefit organic and conventional producers in their efforts to conserve natural resources and to explore new, value-added enterprises as part of their operations. Unfortunately, while these programs were authorized to operate with mandatory funding, their usefulness has been limited by funding restric-

tions imposed through the annual appropriations process. We are urging that the Conservation Security Program be permitted to operate with unrestricted mandatory funding, and that the Value-Added Producer Grant Program receive an appropriation of $40 million for fiscal year 2009.

Food and Nutrition Service/WIC Program

Report Language: Removing Barriers of Access to Organic Foods for WIC recipients

Despite the scientifically documented nutritional and health benefits of organic food, particularly for pregnant mothers and small children, many States have greatly limited or prohibited access to organic foods as part of the WIC program. Some of the barriers are explicit, whereby WIC recipient are expressly prohibited in some States from using their WIC certificates or vouchers for organic versions of WIC foods. Others barriers are indirect, such as rules that make it difficult for retail stores that carry organic foods from participating in the program. Therefore, we are requesting that report language be included in the Food and Nutrition Service section of the fiscal year 2010 Appropriations report, such as:

"The Committee is concerned about the number of States the have set up barriers within the WIC program to hinder or prohibit WIC recipients from purchasing organic food. The Committee strongly urges FNS to actively encourage States to remove barriers to the purchase of organic foods as part of the basic food instrument, and to understand the nutritional and health benefits of organic foods for the vulnerable populations served by this program."

PREPARED STATEMENT OF THE NATIONAL POTATO COUNCIL

My name is Justin Dagen. I am a potato farmer from Karlstad, Minnesota and current Vice President, Legislative/Government Affairs for the National Potato Council (NPC). On behalf of the NPC, we thank you for your attention to the needs of our potato growers.

The NPC is the only trade association representing commercial growers in 50 States. Our growers produce both seed potatoes and potatoes for consumption in a variety of forms. Annual production is estimated at 437,888,000 cwt. with a farm value of $3.2 billion. Total value is substantially increased through processing. The potato crop clearly has a positive impact on the U.S. economy.

The National Potato Council (NPC) urges the Congress to continue to fund programs critical to potato growers and to oppose any attempts to eliminate and/or curtail various critical research and other projects. For example, interruptions in CSREES funded projects will result in significant disruption or cancellation of valuable breeding research and the loss of varieties resulting from years of previous research. Much of this potato research is conducted jointly using potato industry and university funding. Similarly, ARS potato research is critical to the potato industry.

The NPC'S fiscal year 2010 Appropriations Priorities are as follows:

POTATO RESEARCH

Cooperative State Research Education and Extension Service (CSREES)

The NPC urges the Congress not to support any attempt to eliminate the CSREES Special Grant Program for potatoes. This program supports and fine-tunes important university research work that helps our growers remain competitive in today's domestic and world marketplace.

The NPC supports an appropriation of $1,800,000 for the Special Potato Grant program for fiscal year 2010. The Congress appropriated $1,482,000 in fiscal year 2006 and recommended the same amount in fiscal year 2007. However, the program only received $1,112,000 in fiscal year 2008 which was further reduced by the across-the-board cut and $1,037,000 in fiscal year 2009. This has been a highly successful program, and the number of funding requests from various potato-producing regions is increasing.

The NPC also urges that the Congress include Committee report language as follows:

"*Potato research.*—The Committee expects the Department to ensure that funds provided to CSREES for potato research are utilized for varietal development testing. Further, these funds are to be awarded after review by the Potato Industry Working Group."

AGRICULTURAL RESEARCH SERVICE (ARS)

The NPC urges that the Congress to continue the Congressional increases for research projects.

The Congress provided funds for a number of important ARS projects and, due to previous direction by the Congress, the ARS continues to work with the NPC on how overall research funds can best be utilized for grower priorities.

The NPC urges that $3 million per site be provided for the construction and/or the expansion of nematode research facilities at Cornell University in New York and in Idaho. The Potato Cyst Nematode Laboratory (PCNL) at Cornell University is structurally deficient and may lose its Federal license to operate as a quarantine facility. Its demise would put New York agriculture and the United States potato industries at risk. Equally important is the risk to the Western United States from the Idaho and Alberta outbreaks. A coordinated National Program is critical if export markets are to be maintained and this quarantined pest is to be contained. The Western facility could be constructed on University of Idaho land where an existing nematologist is present and a core ARS presence already exists. If PCN expands into other States, the entire U.S. potato industry will be affected, not only from direct damage by the pest (up to 80 percent yield loss), but more importantly, by embargoes disrupting interstate and international trade

FOREIGN MARKET DEVELOPMENT

Market Access Program (MAP)

The NPC also urges that the Congress maintain the spending level for the Market Access Program (MAP) at its authorized level of $200 million annually.

Foreign Agriculture Service (FAS)

The NPC supports a minimum of $279 million for salaries and expenses of the USDA Foreign Agriculture Service (FAS). This level is the minimum necessary for the Agency given the multitude of trade negotiations and discussions currently underway. The Agency has had to absorb pay cost increases, as well as higher operating costs for its overseas offices, such as increased payments to the Department of State for services provided at overseas posts. However, this minimal budget request does not allow for expanded enforcement activities to assure that various trade agreements are being properly implemented. The Congress should consider increasing the budget request to allow for more FAS trade enforcement activities.

FOOD AID PROGRAMS

McGovern-Dole

The NPC supports a level of at least $108 million for the McGovern-Dole International Food Aid Program. The Program has included potato products.

PEST AND DISEASE MANAGEMENT

Animal and Plant Health Inspection Service (APHIS)

Given the transfer of Agriculture Quarantine Inspection (AQI) personnel at U.S. ports to the Department of Homeland Security (DHS), it is important that certain USDA–APHIS programs be adequately funded to ensure progress on export petitions and protection of the U.S. potato growers from invasive, harmful pests and diseases. Even though DHS staffing has increased, agriculture priorities have not yet been adequately addressed.

Golden Nematode Quarantine.—The NPC supports an appropriation of $1,266,000 for this quarantine which is what is believed to be necessary for USDA and the State of New York to assure official control of this pest. Failure to do so could adversely impact potato exports.

Emerging Plant Pests.—The NPC supports at least $145 million with $9.5 million going to the potato cyst nematode regulatory, control and survey activity. The recent discovery of Golden Nematode in seed fields in Alberta, and possibly linked to production fields in the United States, has increased the scope and cost of the national survey being conducted by USDA. In addition, the costs of the eradication program have increased due to rising input costs and some expansion of target acres.

Pest Detection.—The NPC supports $45 million. This is essential for the Plant Protection and Quarantine Service's (PPQ) efforts against potato pests and diseases, such as Ralstonia and the potato cyst nematode, and funds many cooperative pest and disease programs.

Trade Issues Resolution Management.—The NPC supports $19 million but ONLY if any increase is specifically for plant protection and quarantine activities. These activities are of increased importance as new trade agreements are negotiated, the

Agency must have the necessary staff and technology to work on plant related import/export issues and to resolve phytosanitary trade issues in a timely manner.

AGRICULTURAL STATISTICS

National Agricultural Statistics Service (NASS)

The NPC supports an addition of $8.4 million and report language to assure that the potato objective yield and grade and size surveys and vegetable pesticide use surveys are continued. These surveys provide valuable data to the growers and the EPA for use in registration and reregistration decisions for key chemical tools. NASS has discontinued these chemical use surveys for fruits and vegetables.

PREPARED STATEMENT OF THE NATIONAL FISH AND WILDLIFE FOUNDATION

Mr. Chairman and Members of the Subcommittee: Thank you for the opportunity to submit testimony regarding fiscal year 2010 funding for the National Fish and Wildlife Foundation (Foundation). We appreciate the Subcommittee's past support and respectfully request your approval of $5 million through the Natural Resources Conservation Service's (NRCS) Conservation Operations appropriation in fiscal year 2010. This funding request is authorized and would allow the Foundation to expand our historical partnership with NRCS.

In 2009, the Foundation is celebrating its 25th Anniversary and a remarkable history of bringing private partners together to leverage Federal funds to conserve fish, wildlife, plants and their habitats.

The Foundation is required by law to match each federally-appropriated dollar with a minimum of one non-Federal dollar. We consistently exceed this requirement by leveraging Federal funds at a 3:1 ratio while providing thought leadership and emphasizing accountability, measurable results, and sustainable conservation outcomes. Funds appropriated by this subcommittee are fully dedicated to project grants and do not cover any overhead expenses of the Foundation.

As of fiscal year 2008, the Foundation has awarded over 10,000 grants to more than 3,500 national and community-based organizations through successful partnerships with NRCS and other Federal agencies, including the USDA Forest Service, U.S. Fish and Wildlife Service and other Department of Interior agencies, Environmental Protection Agency, and National Oceanic and Atmospheric Administration. This effective model brings together multiple Federal agencies with State and local government and private organizations to implement conservation strategies on private lands that directly benefit diverse habitats and a wide range of fish and wildlife species.

During fiscal year 2000–2006, the Foundation received an average appropriation of $3 million annually to further the mission of NRCS through a matching grant program focused on private lands conservation. Together, NRCS and the Foundation have supported nearly 500 grants to conservation districts, universities, Resource Conservation and Development Councils, and non-profit organizations who partner with farmers, ranchers, and foresters to support conservation efforts on private land. Through these efforts, the Foundation leveraged $21 million in NRCS funds into more than $85 million to conserve fish and wildlife habitat, reduce agricultural runoff, and remove invasive species in 50 States, the Caribbean, and the Pacific Islands. We ask that the subcommittee restore the NRCS appropriation for the Foundation in fiscal year 2010.

This subcommittee's support is critical to our success in attracting additional funding for agricultural conservation through corporate and foundation contributions, legal settlements, and direct gifts. As a neutral convener, the Foundation is in a unique position to work with the Federal agencies, State and local government, corporations, foundations, conservation organizations and others to build strategic partnerships to address the most significant threats to fish and wildlife populations and their habitats. Currently, the Foundation has active partnerships with more than 30 corporations and foundations and 17 Federal agencies. The Foundation is successfully building bridges between the government and private sector to benefit NRCS's mission. Examples of those benefiting agricultural conservation include:

—ArcelorMittal, the world's largest steel company, established a $2.5 million partnership with the Foundation in 2008 to restore wildlife habitat in the Great Lakes.

—The Kellogg Foundation contributed $750,000 of NRCS-matching funds through to support innovative and sustainable conservation activities on agricultural lands.

—Strong partnerships with Anheuser-Busch, Southern Company, and the McKnight Foundation, all of whom have a special interest in conserving habitat

on private agricultural lands. New opportunities in 2009 for agriculture-focused partnerships include Syngenta and Perdue.

IMPLEMENTATION OF STRATEGIC CONSERVATION INITIATIVES

It is widely known that climate change will endanger some wildlife populations and ecosystems more than others. In fiscal year 2008, the Foundation initiated grant-making through new keystone initiatives, which focus on select species of birds, fish and sensitive habitats. With support from the subcommittee in fiscal year 2010, we will accelerate implementation of these strategic initiatives, many of which seek to address the affects of climate change through wildlife and natural resource adaptation. To ensure success in these investments, we are incorporating monitoring and evaluation into the entire lifecycle of our strategic initiatives in order to measure progress, promote adaptive management, demonstrate results, and continuously learn from our grant-making. With our partners, the Foundation has identified several species and ecosystems in need of immediate conservation action, a few of which are described below.

Southeastern Grasslands.—Loss of native grasslands in the Southeast has dramatically reduced populations of grassland birds, such as the Northern Bobwhite and Loggerhead Shrike. Despite intensive efforts to improve habitat for these species, efforts have been disjointed and ineffective at recovering species. The Foundation will work with NRCS, other Federal agencies, and corporate partners to facilitate ongoing and new efforts toward effective and results-oriented grassland bird conservation. Fiscal year 2010 funding would support grassland restoration and management on private agricultural lands in the Southeast and, in turn, positively benefit wildlife conservation and associated recreation, erosion control and water quality.

Northeastern Early Successional Forests.—The state fish and wildlife agencies in the Northeast have identified habitats that depend on disturbance as a top priority for their investments. Fiscal year 2010 funds will strengthen the Foundation's partnership with NRCS to work with the States, farmers, family foresters and other landowners to create incentives to manage working lands that can support healthy wetland and forest wildlife. This includes controlling invasive species, using grazing as a win-win management tool, and other proactive efforts to keep declining species off the endangered species list.

The Green River Basin of Wyoming.—Sublette County and other areas in the southwest corner of the State—are a major area for U.S. natural gas production and provide some of the highest quality sagebrush, riparian habitats and forest for wildlife in the west. The area also supports one of the strongest sage grouse populations, as well as mule deer, pronghorn and elk populations. Energy development impacts on wildlife movement and habitat are being addressed by energy companies, BLM and other government agencies. Our goal is to work with public and private partners to accelerate these efforts through several key strategies which include modifying fences and other barriers that obstruct wildlife movement, reducing road mortality along important migratory pathways, and protecting key parcels of private ranchland from development and subdivision with conservation easements.

Sierra Nevada Alpine Wetlands.—We recognize that climate change will greatly exacerbate two existing water supply problems which impact wildlife and the public—too little water and the seasonality of freshwater supplies. The Foundation is working proactively with Federal, State and local partners to expand voluntary water transaction programs for private landowners and launching new initiatives to increase natural water storage. These efforts will benefit a diversity of wildlife species while improving water flows year-round for human use. For example, Sierra Nevada alpine wetlands, or "wet meadows", are hotspots within the Sierra Nevada ecosystem for wildlife diversity. Federal agencies manage about 40 percent of the area of these mountain ranges, but wet meadow habitat along valley bottoms is primarily private land. The Foundation will invest in partnerships that provide incentives to private landowners to conserve springs and wet meadows and provide artificial water sources to protect stream habitats.

Klamath Basin.—The Foundation will be focusing on spring systems in the Klamath either by acquisition, easement, or voluntarily modifying agricultural practices as it is the soundest strategy for recovery of both endangered Suckers and Coho salmon. This strategy will provide these species and other fishes the ability to withstand climate change (resilience) much longer into this century. Similarly, an investment strategy of protecting and restoring spring systems in the Shenandoah River Basin will allow for the return of Eastern Brook Trout and 18–24 additional native species. In the Upper Colorado River Basin, locating areas at the warmwater-coldwater interface which contain Colorado Cutthroat trout and native suckers and

chubs is providing the framework to sustain these fishes into the next century, on both public and private lands.

Restored funding through NRCS in fiscal year 2010 will also support the Foundation's ongoing conservation grant programs including the Great Lakes Watershed Restoration Fund, Long Island Sound Futures Fund, and Chesapeake Bay Stewardship Fund. These grant programs, which effectively leverage funds from multiple Federal agencies and corporate partners, continued positive results in 2009 with priority project requests far exceeding available funds.

EFFICIENCY, PERFORMANCE MEASURES AND ACCOUNTABILITY

As you know, the Foundation has taken important strides to strengthen our performance measures and accountability. For example, the Foundation is working with scientists and other experts to develop species-specific metrics for each of our keystone initiatives that we will use to measure our progress in achieving our conservation outcomes. Our grant review and contracting processes have been improved to ensure we maximize efficiency while maintaining strict financial and evaluation-based requirements. We have enhanced our website with interactive tools such as webinars and a grants library to enhance the transparency of our grant-making, and instituted a new paperless application and grant administration system. In 2009, we will continue our efforts improve communication between and among our stakeholders and streamlining of our grant-making process.

The Foundation's grant-making involves a thorough internal and external review process. Peer reviews involve Federal and State agencies, affected industry, non-profit organizations, and academics. Grants are also reviewed by the Foundation's issue experts, as well as evaluation staff, before being recommended to the Board of Directors for approval. In addition, according to our Congressional Charter, the Foundation provides a 30-day notification to the Members of Congress for the congressional district and state in which a grant will be funded, prior to making a funding decision.

Once again, Mr. Chairman, we greatly appreciate your continued support and hope the subcommittee will approve funding for the Foundation in fiscal year 2010.

PREPARED STATEMENT OF THE NEW MEXICO INTERSTATE STREAM COMMISSION

Summary

This statement is submitted in support of appropriations for the U.S. Department of Agriculture's Environmental Quality Incentives Program (EQIP) and the Colorado River Basin Salinity Control Program. Prior to the enactment of the Farm Security and Rural Investment Act (FSRIA) in 2002, the salinity control program had not been funded at the level necessary to control salinity with respect to water quality standards since the enactment of the Federal Agriculture Improvement and Reform Act (FAIRA) of 1996. Inadequate funding of the salinity control program also negatively impacts the quality of water delivered to Mexico pursuant to Minute 242 of the International Boundary and Water Commission. Adequate funding for EQIP, from which the U.S. Department of Agriculture (USDA) funds the salinity program, is needed to implement salinity control measures. I request that the Subcommittee designate 2.5 percent, but no less than $20 million, of the EQIP appropriation for the Colorado River Basin salinity control program. I request that adequate funds be appropriated for technical assistance and education activities directed to salinity control program participants.

Statement

The seven Colorado River Basin States, in response to the salinity issues addressed by Clean Water Act of 1972, formed the Colorado River Basin Salinity Control Forum (Forum). Comprised of gubernatorial appointees from the seven Basin States, the Forum was created to provide for interstate cooperation in response to the Clean Water Act, and to provide the States with information to comply with Sections 303(a) and (b) of the act. The Forum has become the primary means for the seven Basin States to coordinate with Federal agencies and Congress to support the implementation of the Salinity control program.

Congress authorized the Colorado River Basin salinity control program in the Colorado River Basin Salinity Control Act of 1974. Congress amended the act in 1984 to give new responsibilities to the USDA. While retaining the Department of the Interior as the lead coordinator for the salinity control program, the amended act recognized the importance of the USDA operating under its authorities to meet the objectives of the salinity control program. Many of the most cost-effective projects undertaken by the salinity control program to date have occurred since implementa-

tion of the USDA's authorization for the program. Now, Congress is considering enactment of a new Farm Bill to further define how the Colorado River Basin States can cost-share in a newly designated salinity control program known as the "Basin States Program."

Bureau of Reclamation studies show that quantified damages from the Colorado River to United States water users are about $350,000,000 per year. Unquantified damages are significantly greater. Damages are estimated at $75,000,000 per year for every additional increase of 30 milligrams per liter in salinity of the Colorado River. It is essential to the cost-effectiveness of the salinity control program that USDA salinity control projects be funded for timely implementation to protect the quality of Colorado River Basin water delivered to the Lower Basin States and Mexico.

Congress concluded, with the enactment FAIRA in 1996, that the salinity control program could be most effectively implemented as a component of EQIP. However, until 2004, the salinity control program since the enactment of FAIRA was not funded at an adequate level to protect the Basin State-adopted and Environmental Protection Agency approved water quality standards for salinity in the Colorado River. Appropriations for EQIP prior to 2004 were insufficient to adequately control salinity impacts from water delivered to the downstream States, and hampered the required quality of water delivered to Mexico pursuant to Minute No. 242 of the International Boundary and Water Commission, United States and Mexico.

EQIP subsumed the salinity control program without giving adequate recognition to the responsibilities of the USDA to implement salinity control measures per Section 202(c) of the Colorado River Basin Salinity Control Act. The EQIP evaluation and project ranking criteria target small watershed improvements which do not recognize that water users hundreds of miles downstream are significant beneficiaries of the salinity control program. Proposals for EQIP funding are ranked in the States of Utah, Wyoming and Colorado under the direction of the respective State Conservationists without consideration of those downstream, particularly out-of-state, benefits.

Following recommendations of the Basin States to address the funding problem, the USDA's Natural Resources Conservation Service (NRCS) designated the Colorado River Basin an "area of special interest" including earmarked funds for the salinity control program. The NRCS concluded that the salinity control program is different from the small watershed approach of EQIP. The watershed for the salinity control program stretches almost 1200 miles from the headwaters of the river through the salt-laden soils of the Upper Basin to the river's termination at the Gulf of California in Mexico. NRCS is to be commended for its efforts to comply with the USDA's responsibilities under the Colorado River Basin Salinity Control Act, as amended. Irrigated agriculture in the Upper Basin realizes significant local benefits of improved irrigation practices, and agricultural producers have succeeded in submitting cost-effective proposals to NRCS.

Years of inadequate Federal funding for EQIP since the 1996 enactment of FAIRA and prior to 2004 resulted in the Forum finding that the salinity control program needs acceleration to maintain the water quality criteria of the Colorado River Water Quality Standards for Salinity. Since the enactment of FSRIA in 2002, an opportunity to adequately fund the salinity control program now exists. The requested funding of 2.5 percent, but no less than $20 million, of the EQIP funding will continue to be needed each year for at least the next few fiscal years.

State and local cost-sharing is triggered by and indexed to the Federal appropriation. Federal funding for the NRCS salinity control program of about $18 million for fiscal year 2009 has generated about $13.8 million in cost-sharing from the Colorado River Basin States and agricultural producers, or more than a 75 percent match of the Federal funds appropriated for the fiscal year.

USDA salinity control projects have proven to be a most cost-effective component of the salinity control program. USDA has indicated that a more adequately funded EQIP program would result in more funds being allocated to the salinity program. The Basin States have cost-sharing dollars available to participate in on-farm salinity control efforts. The agricultural producers in the Upper Basin are willing to cost-share their portion and are awaiting funding for their applications to be considered.

The Basin States expend 40 percent of the State funds allocated for the program for essential NRCS technical assistance and education activities. Previously, the Federal part of the salinity control program funded through EQIP failed to adequately fund NRCS for these activities, which has been shown to be a severe impediment to accomplishing successful implementation of the salinity control program. Recent acknowledgement by the administration that technical assistance and education activities must be better funded has encouraged the Basin States and local producers that cost-share with the EQIP funding for implementation of the es-

sential salinity control work. I request that adequate funds be appropriated to NRCS technical assistance and education activities directed to the salinity control program participants (producers).

I urge the Congress to appropriate at least $1 billion in fiscal year 2010 for EQIP. Also, I request that Congress designate 2.5 percent, but no less than $20 million, of the EQIP appropriation for the Colorado River Basin salinity control program.

PREPARED STATEMENT OF THE ORGANIC FARMING RESEARCH FOUNDATION

The Organic Farming Research Foundation's funding requests for the fiscal year 2010 Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Bill are to protect mandatory funding and to allocate $54.7 million in discretionary funds, divided among agencies and programs in the following manner:

—USDA—Cooperative State Research, Extension, and Education Service
  —Organic Agriculture Research and Extension Initiative
    Fiscal year 2009 actual: $18 million
    USDA fiscal year 2010 request: protect mandatory funding
    OFRF fiscal year 2010 request: protect mandatory funding plus $5 million discretionary
  —"Organic Transitions" Integrated Research
    Fiscal year 2009 actual: $1.8 million
    USDA fiscal year 2010 request: $1.8 million
    OFRF fiscal year 2010 request: $5 million
—USDA—Agricultural Research Service
  —Direct Organic Projects
    Fiscal year 2009 actual: $16.9 million
    USDA fiscal year 2010: N/A
    OFRF fiscal year 2010 request: $33 million
  —Includes "Organic Research Clearinghouse," National Agricultural Library: $250,000
—USDA—Agricultural Marketing Service/Economic Research Service/National Agricultural Statistics Service
  —Organic Production and Market Data Initiatives
    Fiscal year 2009 actual: $500,000 appropriated and $5 million one-time mandatory from 2008 Farm Bill
    USDA fiscal year 2010 request: $0
    OFRF fiscal year 2010 request: $5 million
—USDA—Agricultural Marketing Service
  —National Organic Program
    Fiscal year 2009 actual: $3.8 million
    USDA fiscal year 2010 request: $6.7 million
    OFRF fiscal yea 2010 request: $6.7 million

Details and further information on these programs is provided below.

The Organic Farming Research Foundation (OFRF) appreciates the opportunity to present our funding requests for the fiscal year 2010 Agriculture, Rural Development, FDA, and Related Agencies Appropriations Bill. OFRF is a grower-directed, non-profit foundation working to foster the improvement and widespread adoption of organic farming systems. Organic agriculture plays an important and growing role in U.S. agriculture. Relatively modest investments in organic research and education can significantly increase the economic benefits and environmental services provided by organic farming systems and the organic products sector. As a result, we urge the Subcommittee to provide additional resources for organic agriculture in fiscal year 2010.

The Organic Farming Research Foundation appropriations requests for fiscal year 2010 reflect a coordinated set of activities that will strategically build upon the growth of organic agriculture and leverage the sector's role in addressing the Nation's economic, climate, and energy challenges. Organic agriculture continues to be a growing sector in U.S. agriculture, despite the economic recession. The organic products sector provides jobs on- and off-farm, provides increased marketing opportunities for farmers and processors, and meets widespread consumer demand for more food grown in an environmentally-sound manner. Emerging research is showing that organic agricultural systems provide a comprehensive strategy for mitigating the effects of climate change and facilitating the adaptation to climate change. Organic agriculture also reduces the use of non-renewable sources of energy such as fossil fuels. The multiple benefits of organic production systems make organic agriculture an effective vehicle for achieving national economic and environ-

mental goals. This growth has been facilitated by the Subcommittee and was supported by the 2008 Farm Bill.

OFRF's recommendations emphasize research, data collection, and information dissemination. In our view, these are the most limiting factors for the growth and improvement of organic agriculture. Within the USDA—REE Mission Area, the support of the Subcommittee and the Department has been usefully tracked by the "fair-share" comparison.[1] Currently, organic product sales are approaching 4 percent of the domestic retail market, yet USDA–REE expenditures directed explicitly to research and information programs for organic agriculture have only just reached 2 percent of the REE Mission Area funding.[2] This discrepancy is detrimental to an industry that relies intensively on management and information for its success. By providing modest increases as outlined below, the Subcommittee can help meet the "fair-share" benchmark for organic research and promote the multiple public benefits that organic farming can provide.

USDA—COOPERATIVE STATE RESEARCH, EXTENSION, AND EDUCATION SERVICE

Organic Agriculture Research and Extension Initiative (OREI)[3]

OFRF Fiscal Year 2010 Request: $25 million (protect mandatory funding plus $5 million discretionary)

OREI is USDA's premier competitive research and education grant program specifically dedicated to the investigation of organic agriculture. Due to its success with very modest funding, the program received an increase in mandatory funding in the 2008 Farm Bill. Despite this increase, the program remains heavily oversubscribed. For the fiscal year 2009 allocation of $18 million, the program received applications totaling over $98 million. Increasing organic research capacities within the land grant university system and elsewhere are reflected in this trend.

The 2008 Farm Bill allocates mandatory funding of $20 million to OREI for fiscal year 2010. The legislation also recognizes the need for further increases to reach the full potential of this program and authorizes discretionary funding of up to $25 million annually. In addition to protecting the full mandatory allocation, OFRF recommends appropriating $5 million of the discretionary authority in fiscal year 2010. This modest additional increase would continue making progress towards the fair-share benchmark of USDA research and education for organic agriculture and respond to the strong demand and increased capacity for the program's outcomes.

"Organic Transitions" Integrated Research (ORG)[4]

OFRF Fiscal Year 2010 Request: $5 million

ORG is the older and smaller of two USDA competitive grant programs dedicated to organic research and education. From 2003 to 2008, it was administered together with OREI. Starting in fiscal year 2009, USDA–CSREES is instead combining the program with the 406 Integrated Water Quality research program. The newly combined program will fund multi-year projects that examine the effects of organic production systems on water quality. This approach provides a "specialized" complement to the general purposes of OREI, and OFRF supports this move by the agency. At current funding levels,[5] this program can only fund a small number of serious investigations. Our request of $5 million for fiscal year 2010 seeks to enable a higher level of program performance and help reach the overall organic fair-share benchmark.

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[1] The fair-share benchmark compares the U.S. retail market share of organic products to the percentage of USDA–REE spending on activities explicitly directed towards organic farming and food.

[2] OFRF estimates total fiscal year 2009 organic REE spending at $48 million, out of approximately $2.4 billion for the REE Mission Area. This includes: OREI ($18 million), ORG ($1.8 million), ARS direct-organic ($16.9 million), ODI ($5 million), other CSREES grants ($6 million).

[3] The Organic Agriculture Research and Extension Initiative (OREI) is authorized by Section 1672B of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925b) as amended by Section 7206 of the Food, Conservation, and Energy Act of 2008.

[4] "Organic Transitions" Integrated Research (ORG) is authorized by Section 406 of the Agricultural Research, Extension, and Education Reform Act of 1998 (AREERA) (7 U.S.C. 7626).

[5] $1,8 million for fiscal year 2009.

USDA—AGRICULTURAL RESEARCH SERVICE

Direct Organic Projects

OFRF Fiscal Year 2010 Request: $33 million ("fair share" for ARS organic research)

USDA—Agricultural Research Service has an organic research portfolio and a strategic plan for further organic research activities. The current funding for direct organic projects is $16.9 million, about 1.5 percent of the total ARS budget.[6] We are urging growth of the agency's direct organic activity to reach an ARS fair-share objective of $33 million. The increase should be pointed towards full implementation of the ARS Organic Research Action Plan.[7]

We ask that $250,000 be directed at funding the National Agricultural Library's Alternative Farming Systems Information Center (NAL–AFSIC). As organic results proliferate, dissemination of information becomes a critical limiting factor for the overall goals of widespread adoption. The NAL–AFSIC program is well positioned to lead the dissemination function within USDA. OFRF estimates that maintenance and outreach for a national "clearinghouse" for organic agriculture, "enthusiastically" supported by USDA's National Research Advisory Board,[8] will require an ongoing annual budget allocation of $250,000.

USDA—AGRICULTURAL MARKETING SERVICE/ECONOMIC RESEARCH SERVICE/NATIONAL AGRICULTURAL STATISTICS SERVICE

Organic Production and Market Data Initiatives (ODI)[9]

OFRF Fiscal Year 2010 Request: $5 million ($3 million for AMS, $1.5 million for ERS, and $0.5 million for NASS)

Data on prices, yields, and markets are vital to farmers for production planning, market development, risk management, and obtaining financial credit. The organic sector is still without vital comprehensive data on par with what USDA provides for conventional agriculture, putting organic farmers at a significant disadvantage. The absence of marketing and production data specific to organic agriculture inhibits organic producers and handlers, and limits the effectiveness of policies enacted to facilitate the public benefits of organic agriculture.

The Subcommittee has supported the initial 2002 authorization with $500,000 from 2004 through 2009. These appropriations enabled a minimal baseline effort for general measurements of the organic sector. The 2008 Farm Bill provided $5 million in mandatory funds to jumpstart the combined data collection initiatives at AMS, ERS, and NASS. Those funds have already been spent on a variety of efforts at each of the agencies,[11] including the development of a first-ever survey of organic agriculture by NASS to be released in early May 2009.

Activities of AMS, ERS, and NASS require continued full support to build upon the previous investments. AMS has planned further enhancement of organic reporting and the development of additional organic market information tools. NASS is releasing its first-ever organic agriculture production survey in May, and will need funds to continue its data collection efforts. ERS will use additional targeted funds to continue expanding the agency's overall program of research and analysis of organic agriculture, and will work jointly with NASS to analyze the data from the organic production survey.

The 2008 Farm Bill provided additional authority up to $5 million annually for ODI. We are asking the Subcommittee to exercise its full authority and allocate $5 million for fiscal year 2010 to organic data collection, distributed among the three

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[6] Communications from ARS national program staff, April 29, 2009. A larger total is reported to Congress, combining "direct organic" projects with "indirect organic" projects, as determined by ARS staff.

[7] Organic Research Action Plan: http://www.ars.usda.gov/SP2UserFiles/Program/216/OrganicResearchActPlan.pdf.

[8] "Report and Recommendations from a Focus Session on Organic Agriculture Conducted at the Advisory Board Meeting held in Washington, D.C. on October 29–31, 2007." Page 4. National Agricultural Research, Extension, Education, and Economics Advisory Board. Transmitted to the Secretary of Agriculture and the House and Senate Committees on Appropriations, and Agriculture, March 5, 2008.

[9] The Organic Market and Production Data Initiatives is authorized by Section 7407 of the Farm Security and Rural Investment Act of 2002 as amended by Section 10302 of the Food, Conservation, and Energy Act of 2008.

[11] For an update on the use of the funds, see "U.S. Department of Agriculture Report to Congress: Status of Organic Production and Market Data Activities As Required by the 2008 Farm Bill." December 2008.

agencies leading this initiative. We anticipate that the President's budget will recommend a similar allocation and agency distribution.

USDA—Agricultural Marketing Service

National Organic Program (NOP)

OFRF Fiscal Year 2010 Request: $6.7 million

NOP (including the National Organic Standards Board, organic standards setting, certifier accreditation and enforcement) received an increased authorization for appropriations in the 2008 Farm Bill. $8 million is the authorization level for fiscal year 2010. NOP has a large and growing number of important backlogged tasks. We support the President's fiscal year 2010 request for $6.7 million.

The Organic Farming Research Foundation thanks the Subcommittee for the opportunity to submit our requests. We ask the Subcommittee to provide funds to close the gap in research and education funding for organic agriculture, for the continued improvement and expansion of organic farming systems.

Disclosure.—Organic Farming Research Foundation was a subcontractor for a grant awarded by the USDA–CSREES Integrated Organic Program. Grant# 2207–01384. "Midwest Organic Research Symposium."

PREPARED STATEMENT OF THE SOCIETY FOR WOMEN'S HEALTH RESEARCH

On the behalf of the Society for Women's Health Research and the Women's Health Research Coalition, we are pleased to submit testimony in support of increased funding for the Food and Drug Administration (FDA), and more specifically for the Office of Women's Health (OWH), a critical focal point on women's health within the Agency.

The Society for Women's Health Research is the Nation's only non-profit organization whose mission is to improve the health of all women through advocacy, research, and education. Founded in 1990, the Society brought to national attention the need for the appropriate inclusion of women in major medical research studies and the need for more information about conditions affecting women exclusively, disproportionately, or differently than men. The Society advocates increased funding for research on women's health; encourages the study of sex differences that may affect the prevention, diagnosis and treatment of disease; promotes the inclusion of women in medical research studies; and informs women, providers, policy makers and media about contemporary women's health issues.

In 1999, the Women's Health Research Coalition was established by the Society to give a voice to scientists and researchers from across the country that are concerned and committed to improving women's health research. The Coalition now has more than 650 members, including leaders within the scientific community and medical researchers from many of the country's leading universities and medical centers, as well as leading voluntary health associations, and pharmaceutical and biotechnology companies.

The Society and the Coalition are committed to advancing the health status of women through the discovery of new and useful scientific knowledge. We strongly believe that appropriate funding of the FDA by Congress is critical for the Agency to function and to assure the American public of the safety of its food and drugs. However, as has been well documented, currently the FDA is endeavoring to catch up after years of flat funding to meet the needs of scientific growth, innovation and development, and adequate food and drug protection. Further, FDA is struggling to catch up to present-day needs in the area of information technology (IT).

Last year the FDA was awarded a $325 million increase to assist in revamping the Agency, as well as a one time investment of $150 million in supplemental funding. This influx of funds was meant to address years of chronic under-funding; however, the Agency needs a continuous stream of funding to address the myriad of infrastructure, resources and IT issues resulting from the budget shortages it has faced in the past decade.

The Society urges Congress to provide the FDA with an increase of $386 million, bringing the FDA's fiscal year 2010 budget to $2.425 billion. This funding increase will allow the FDA to continue rebuilding its infrastructure and addressing the shortage of resources was well as install IT systems that match the needs of the industries it is regulating and expectations of the American public.

Another important investment that must be taken into account at the FDA is the Office of Women's Health (OWH). OWH's women's health programs, often conducted with the Agency centers, are vital to maintaining focus on women's health within the FDA. They are critical to improved care and increased awareness of disease-spe-

cific impacts to women. For example, OWH ensures that sex and gender differences in the efficacy of drugs (such as metabolism rates), devices (sizes and functionality) and diagnostics are taken into consideration in reviews. To address OWH's growing list of priorities, the Society recommends that Congress support a $7 million budget for OWH for fiscal year 2010 within the budget for the FDA. In addition, we further recommend that the current budget levels not only increase in the future, but should never be less than the $6 million that the office currently receives.

FDA INFORMATION TECHNOLOGY SYSTEMS

The FDA is tasked with guarding the safety, efficacy, and security of human drugs, biological products, and medical devices. However, as was stated by the Science Board Report, requested by former Commissioner von Eschenbach, FDA's IT systems were inefficient and incapable of handling the current demands placed on the Agency, thus preventing the FDA from fulfilling its mission. Equipment is outdated, often unsupported by maintenance, and regularly breaks down. FDA's IT system, a system which needs to function 24/7, simply cannot keep up with current scientific data and market trends. This will only continue to worsen as servers' age beyond usefulness, and serviceability and email networks fail multiple times per day.

Additionally, the new Obama Administration is seeking to pass an overhaul of the Nation's healthcare system. This reform is likely to include further advances to electronic health records and other IT innovations which will place an even greater burden on the FDA, among other agencies, to function within those advanced IT systems and networks.

The antiquated nature of the IT systems also makes the agency unable to conduct safety analyses for product marketing applications, track the natural history and disease models for rare disorders, and access huge amounts of clinical data. The creation of a central database must happen to provide for a system query to a centralized repository for all relevant facts about a certain product including where, when and how the product was made. Such a uniform centralized database will be relevant for all information stored across agencies, so as to maximize functionality not only of FDA's data but of expected research and analysis needed by the American public.

Currently, the FDA receives large volumes of information in applications from drug manufacturers for review and evaluation. FDA reviewers must manually comb through the submitted drug trial reports and digital data in as many as twelve formats to evaluate a new drug's safety and effectiveness. Frequently reviewers must handpick data manually from stacks of paper reports and craft their own data comparisons. This process is time consuming, makes the review process less efficient, and is error-prone and delays access to important information. Scientific and medical advances are occurring rapidly and the public needs and deserves access to the most recent and accurate information regarding their health. It is time Congress recognize that the Agency must utilize up-to-date information technology and that it sorely needs the resources to maintain them.

The Society believes that the Agency and/or the FDA's Office of Women's Health should be able to track women or men and other subpopulations in all clinical trials before them and they are currently not able to do so. The FDA should be able to know how many women are in studies (both by recruitment and retention rates). This should be an immediate goal of any new IT system upgrade at the Agency in conjunction with the adoption of uniform data standards from which to pull the data and as part of the shift to an automated, electronic filing system.

Estimations have shown that it would take $200 million ($40 million/year) over the course of 5 years to begin the process of improving the IT system. Congress must address past shortfalls to FDA and provide it a $386 million increase to begin IT transformation and many other improvements.

OFFICE OF WOMEN'S HEALTH

OWH at the FDA, established in 1994, plays a critical role in women's health, both within and outside the Agency, supporting sex- and gender-based research, areas in which the Society has long been a proponent. OWH provides scientific and policy expertise on sex and gender sensitive regulatory and oversight issues; endeavors to correct sex and gender disparities in the areas for which the FDA is responsible—drugs, devices, and biologics; and monitors women's health priorities, providing both leadership and an integrated approach across the FDA. Despite inadequate funding, OWH provides all women with invaluable tools for their health.

Each year OWH, with little difficulty, exhausts its tiny budget. OWH's pamphlets are the most requested of any documents at the government printing facility in New

Mexico. Last year more than 5.6 million pamphlets are distributed to women across the Nation including target populations such as Hispanic communities, seniors and low-income citizens. Further, the Office attends over 125 meetings per year to exhibit, to present scientific posters and oral presentations, and to chair sessions. Despite its $1 million increase the office received last year, additional funding is needed so OWH may continue its present work on current projects, but expand and develop future projects.

It is absolutely critical for Congress to take action now to help preserve the vital functions of OWH and to ensure that its small budget is dedicated to the resource needs of the office and to the projects and programs and research it funds.

Since its beginning, OWH has funded high quality scientific research to serve as the foundation for Agency activities that improve women's health. To date, OWH has funded over 100 research projects with approximately $19.9 million intramural grants, supporting projects within the FDA that address knowledge gaps or set new directions for sex and gender research. Extramural contracts leverage a wealth of expertise and other resources outside the FDA to provide insight on regulatory questions pertinent to women's health. All contracts and grants are awarded through a competitive process. A large number of these studies are published and appear in peer reviewed journals.

As part of its educational outreach efforts to consumers, OWH works closely with women's advocacy and health professional organizations to provide clarity on the results of the Women's Health Initiative. Due to OWH efforts, an informational fact sheet about menopause and hormones and a purse-sized questionnaire to review with the doctor were distributed to national and local print, radio, and Internet advertisements. OWH's website, to date, has received over 3 million hits to download campaign materials.

Further, OWH's website serves as a vital tool for consumers and is constantly updated to include new and important health information. The website provides free, downloadable fact sheets on over 40 different illnesses, diseases, and health related issues. Recently OWH has completed medication charts on seven chronic diseases, which are unique within the Agency. These charts list all the medications that are prescribed and available for each disease. This information is ideal for women to use in talking to their doctors, pharmacists or nurses about their treatment options.

OWH continues to improve the health of women through new research initiatives. Most recently, they have collaborated with Pharmacy Choice, Inc. to create a web portal solely dedicated to FDA consumer health education materials, providing access to fact sheets and medication guides.

OWH and Sex Differences Research

Scientists have long known of the anatomical differences between men and women, but only within the past decade have they begun to uncover significant biological and physiological differences. Sex differences have been found everywhere from the composition of bone matter and the experience of pain, to the metabolism of certain drugs and the rate of neurotransmitter synthesis in the brain. Sex-based biology, the study of biological and physiological differences between men and women, has revolutionized the way that the scientific community views the sexes, with even more information is forthcoming as a result of the sequencing of the X chromosome. The evidence is overwhelming, and as researchers continue to find more and complex biological differences, they gain a greater understanding of the biological and physiological composition of both sexes.

Much of what is known about sex differences is the result of observational studies, or is descriptive evidence from studies that were not designed to obtain a careful comparison between females and males. The Society has long recognized that the inclusion of women in study populations by itself was insufficient to address the inequities in our knowledge of human biology and medicine, and that only by the careful study of sex differences at all levels, from genes to behavior, would science achieve the goal of optimal health care for both men and women. Many sex differences are already present at birth, whereas others develop later in life. These differences play an important role in disease susceptibility, prevalence, time of onset and severity and are evident in cancer, obesity, heart disease, immune dysfunction, mental health disorders, and other illnesses. Physiological and hormonal fluctuations may also play a role in the rate of drug metabolism and effectiveness of response in females and males. This research is supported and encouraged by the Office of Women's Health within the Agency. OWH directly works with the various centers to advance the science in this area, collaborating on programs, projects, and research.

Building upon sex differences research, the Society encourages the establishment of drug-labeling requirements that ensure labels include language about differences

experienced by women and men. Furthermore, we advocate for research on the comparative effectiveness of drugs with specific emphasis on data analysis by sex. When available, this information should be on labels.

Our country's drug development process has succeeded in delivering new and better medications to ensure the health of both women and men. However, the requirement that the data acquired during research of a new drug's safety and effectiveness be analyzed as a function of sex or that information about the ways drugs may differ in various populations (e.g., women requiring a lower dosage because of different rates of absorption or chemical breakdown) be included in prescription drug labels and other patient educational and instructional materials is generally not enforced.

The Society believes the opportunity to present this information to consumers is now. Sex differences data discovered from clinical trials can be directly related to the medical community and to consumers through drug labeling and packaging inserts and other forms of alerts. As part of advancing the need to analyze and report sex differences, the Society encourages the FDA to continue adequately addressing the need for accurate drug labeling in order to identify important sex and gender differences, as well as to ensure that appropriate data analysis of post-market surveillance reporting for these differences is placed in the hands of physicians and ultimately the patient.

In conclusion, Mr. Chairman, we thank you and this Committee for its strong record of support for the FDA and women's health and your commitment to OWH. We recommend that you increase the overall fiscal year 2010 budget for the FDA by $386 million, so that it may dramatically improve upon current operations while also rebuilding its IT infrastructure. Secondly, we urge you to allocate $7 million for the Office of Women's Health for fiscal year 2010, and to ensure that future budget appropriations for the OWH are never below current funding levels. We look forward to continuing to work with you to build a stronger and healthier future for all Americans.

PREPARED STATEMENT OF THE HUMANE SOCIETY OF THE UNITED STATES

As the largest animal protection organization in the country, we appreciate the opportunity to provide testimony to your subcommittee on fiscal year 2010 items of great importance to The Humane Society of the United States (HSUS) and its 11 million supporters nationwide. In this testimony, we request the following amounts for the following USDA accounts:

—FSIS/Humane Methods of Slaughter Act Enforcement—funding and language to improve enforcement (defer to subcommittee expertise for specific funding level)
—FSIS/Horse Slaughter—language mirroring fiscal year 2009 omnibus provision
—APHIS/Horse Protection Act Enforcement—at least $1 million
—APHIS/Animal Welfare Act Enforcement—$22,275,270
—APHIS/Investigative and Enforcement Services—$14,036,350
—OIG/including Animal Fighting Enforcement—$87,910,150
—CSREES/Veterinary Student Loan Forgiveness—$5,000,000
—APHIS/Emergency Management Systems/Disaster Planning for Animals—$1,001,000
—NAL/Animal Welfare Information Center—$1,978,400

ENFORCEMENT OF ANIMAL WELFARE LAWS

We thank you for your outstanding support during recent years for improved enforcement by USDA of key animal welfare laws and we urge you to sustain this effort in fiscal year 2010. Your leadership is making a great difference in helping to protect the welfare of millions of animals across the country. As you know, better enforcement will also benefit people by helping to prevent: (1) food safety risks to consumers from sick animals who can transmit illness, and injuries to slaughterhouse workers from suffering animals; (2) orchestrated dogfights and cockfights that often involve illegal gambling, drug trafficking, and human violence, and can contribute to the spread of costly illnesses such as bird flu; (3) the sale of unhealthy pets by commercial breeders, commonly referred to as "puppy mills"; (4) laboratory conditions that may impair the scientific integrity of animal-based research; (5) risks of disease transmission from, and dangerous encounters with, wild animals in or during public exhibition; and (6) injuries and deaths of pets on commercial airline flights due to mishandling and exposure to adverse environmental conditions. In order to continue the important work made possible by the Committee's prior support, we request the following for fiscal year 2010:

FOOD SAFETY AND INSPECTION SERVICE/HUMANE METHODS OF SLAUGHTER ACT ENFORCEMENT

We Request Funding and Language to Ensure Strengthened HMSA Enforcement.—We greatly appreciated the Committee's inclusion of language calling on USDA to immediately close the downed cattle loophole, language that was indeed effective, as President Obama announced USDA's new no-downed cattle rule just three days after he signed the omnibus into law. We also greatly appreciated the Committee's inclusion of a $2 million increase in fiscal year 2009 to begin to address severe shortfalls in the agency's oversight of humane handling rules for animals at slaughter facilities, oversight that is important not only for animal welfare but also for food safety. This problem came sharply into focus last year when egregious abuse of cattle was revealed from a 6-week hidden camera investigation of a plant—which happened to be the #2 beef supplier to the National School Lunch Program and had been honored by USDA as "Supplier of the Year" for the 2004–2005 academic year—leading to the nation's largest meat recall in history. In that case, the blatant and recurrent violations of food safety and humane rules were not reported by 5 USDA inspection personnel at the plant. Subsequent undercover investigations showed the mistreatment was not an isolated case, and a USDA Inspector General's audit identified several serious, continuing weaknesses in the inspection regime. We request funding and language to ensure that inspectors are continually observing live animals as they arrive and are offloaded and handled in pens, chutes, and stunning areas, and that USDA officials are taking strong action to avert violations of the Humane Methods of Slaughter Act and the ban on slaughter of cattle too sick or injured to stand and walk. We urge the Committee to make this a high priority in order to better protect consumers and animals.

Specifically, we recommend a combination of measures to ensure meaningful compliance. More inspectors observing live animals are needed, and all inspectors should be trained and directed to monitor the treatment of live animals to ensure that they are handled humanely. Inspectors must understand that their oversight responsibilities begin at the moment animals arrive at slaughter premises, including when the animals are on trucks at slaughter facilities. An inspector should meet each truck when it arrives on the premises and should order the immediate humane euthanasia and condemnation of any cattle who are non-ambulatory. Egregious conduct such as forcefully striking an animal with an object, dragging an animal, ramming or otherwise attempting to move an animal with heavy machinery, or using electric shock, water pressure, or other extreme methods should be explicitly prohibited and those policies established in a formal rule to take effect immediately. Inspections should be unannounced and not on a predictable schedule. Oversight could be enhanced with video surveillance, accessible for viewing by independent third parties, but this should complement, not be a substitute for, improved inspections. Inspectors must be encouraged to report violations, rather than being discouraged from and even reprimanded for doing so by their superiors. Egregious humane handling violations must be noted through Noncompliance Reports and not just through Memoranda of Interview, so that documentation of these serious violations will be accessible through the PBIS system to other inspectors, USDA's Office of Food Safety, Congress, and the public. Penalties should be more meaningful, particularly for repeat or egregious violations of humane handling standards. It would be helpful to rotate inspectors to ensure that they do not become too close with plant personnel, and undercover investigations by USDA personnel, under the OIG or otherwise, would bolster deterrence.

HORSE SLAUGHTER

We Request Inclusion of Language Barring USDA From the Expenditure of Funds for Horse Slaughter Inspection.—Such language has been included in past years and has been vital to prevent renewed horse slaughter activity in this country.

APHIS/HORSE PROTECTION ACT ENFORCEMENT

We Request at Least $1 Million for Strengthened Enforcement of the Horse Protection Act.—Congress enacted the Horse Protection Act (HPA) in 1970 to end the cruelty and abuse of "soring"—a practice in which unscrupulous trainers use a variety of methods to inflict pain on sensitive areas of Tennessee Walking Horses' feet and legs in an effort to exaggerate their high-stepping gait and gain an unfair competitive advantage at industry horse shows. For example, caustic chemicals—such as mustard oil, diesel fuel, kerosene, and industrial cleaners—are painted on the lower front legs of a horse. Then, the horse's legs are wrapped in plastic wrap and tight bandages to "cook" the chemicals deep into the horse's flesh. Sored horses are often

left standing in their stalls for days with their legs coated and wrapped. This makes the horse's legs extremely painful and sensitive, and can result in permanent damage or even death in some cases. It is not uncommon to see sored horses lying down in their stalls, moaning in pain. When ridden, the horse is fitted with chains that slide up and down the horse's sore legs, forcing him to produce an exaggerated, high-stepping gait in the show ring. In addition, other chemicals such as salicylic acid are used to slough off the scarred tissue and granulomas in an attempt to disguise the sored areas, a practice that is equally painful and cruel to these horses. When shown, some Tennessee Walking horses are fitted with heavy stacked shoes. Another particularly egregious form of soring—known as pressure shoeing—involves cutting a horse's hoof almost to the quick, paring it down to the sensitive live tissue and causing an extreme amount of pain every time the horse bears weight on the hoof. To further increase the pain in the horse's feet, foreign objects such as metal screws or acrylic are often inserted between the stacks and the horse's hoof.

Though soring has been illegal for almost 40 years, this cruel practice continues unabated by the well-intentioned but seriously understaffed APHIS inspection program. The most effective way to meet the goal of the Horse Protection Act is to have Animal Care inspectors present at the shows. Exhibitors who sore their horses go to great lengths to avoid detection, including fleeing a show when USDA inspectors arrive. Unfortunately, given an enforcement budget that has remained static at around $500,000 since 1976, Animal Care is able to attend only about 6 percent of the more than 500 Tennessee Walking Horse shows held annually. Funding of at least $1 million in fiscal year 2010 will begin to address the need for additional inspectors, training, security (to address threats of violence against inspectors), and advanced detection equipment (thermography and gas chromatography/mass spectrometry machines) to give agency officials the tools they need to meaningfully enforce this law as Congress intended.

APHIS/ANIMAL WELFARE ACT ENFORCEMENT

We Request $22,275,270 (Near Level Funding) for AWA Enforcement Under the Animal and Plant Health Inspection Service (APHIS).—We commend the Committee for responding in recent years to the urgent need for increased funding for the Animal Care division to improve its inspections of almost 16,000 sites, including commercial breeding facilities, laboratories, zoos, circuses, and airlines, to ensure compliance with AWA standards. As part of the 2008 Farm Bill, Congress established a new responsibility for this division—to enforce a ban on imports from foreign puppy mills where puppies are mass produced under inhumane conditions and then forced to endure harsh long-distance transport, so that many arrive ill or dead or die soon after being sold to an American family. Animal Care currently has 111 inspectors (with 5 vacancies in the process of being filled), compared to 64 inspectors at the end of the 1990s. An appropriation at the requested level would maintain fiscal year 2009 funding with a modest increase to cover pay costs and additional responsibilities associated with the new import ban and the increasing number of licensed/registered facilities.

APHIS/INVESTIGATIVE AND ENFORCEMENT SERVICES

We Request $14,036,350 (Near Level Funding) for APHIS Investigative and Enforcement Services (IES).—We appreciate the Committee's consistent support for this division, which handles many important responsibilities, including the investigation of alleged violations of Federal animal welfare laws and the initiation of appropriate enforcement actions. The volume of animal welfare cases is rising significantly as new facilities become licensed and registered. An appropriation at the requested level would maintain fiscal year 2009 funding with a modest increase to cover pay costs.

OFFICE OF INSPECTOR GENERAL/ANIMAL FIGHTING ENFORCEMENT

We Request $87,910,150 (Near Level Funding) for the Office of Inspector General (OIG) to Maintain Staff, Improve Effectiveness, and Allow Investigations in Various Areas, Including Enforcement of Animal Fighting Laws.—We appreciate the Committee's inclusion of funding and language in recent years for USDA's OIG to focus on animal fighting cases. Congress first prohibited most interstate and foreign commerce of animals for fighting in 1976, tightened loopholes in the law in 2002, established felony penalties in 2007, and further strengthened the law as part of the 2008 Farm Bill, in the wake of the high-profile Michael Vick dogfighting case. We are pleased that USDA is taking seriously its responsibility to enforce this law, working with State and local agencies to complement their efforts and address these barbaric practices, in which animals are drugged to heighten their aggression and forced to

keep fighting even after they've suffered grievous injuries. Dogs bred and trained to fight endanger public safety, and some dogfighters steal pets to use as bait for training their dogs. Cockfighting was linked to an outbreak of Exotic Newcastle Disease in 2002–2003 that cost taxpayers more than $200 million to contain. It's also been linked to the death of a number of people in Asia reportedly exposed through cockfighting activity to bird flu. Given the potential for further costly disease transmission, as well as the animal cruelty involved, we believe it is a sound investment for the Federal government to increase its efforts to combat illegal animal fighting activity. We also support the OIG's auditing and investigative work to improve compliance with the humane slaughter law and downed animal rules and the Horse Protection Act.

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE/VETERINARY STUDENT LOAN FORGIVENESS

We Request $5,000,000 to Continue the Implementation of the National Veterinary Medical Service Act (Public Law 108–161), Specifically Authorized in 2003.—This program received $2,950,000 in fiscal year 2009, and was projected to need $5,000,000 in its third year under the CBO score accompanying authorization. We appreciate that Congress is working to address the critical shortage of veterinarians practicing in rural and inner-city areas, as well as in government positions at FSIS and APHIS. A 2009 Government Accountability Office report enumerating the challenges facing veterinary medicine identified that an inadequate number of veterinarians to meet national needs is among the foremost challenges. A 2006 study demonstrated the acute and worsening shortage of veterinarians working in rural farm animal practice, while domestic pets in both rural and urban areas are often left without necessary medical care. Having adequate veterinary care is a core animal welfare concern. To ensure adequate oversight of humane handling and food safety rules, FSIS must be able to fill vacancies in inspector positions. Veterinarians also support our nation's defense against bioterrorism (the Centers for Disease Control estimate that 75 percent of potential bioterrorism agents are zoonotic—transmitted from animals to humans). They are also on the front lines addressing public health problems such as those associated with pet overpopulation, parasites, rabies, chronic wasting disease, and bovine spongiform encephalopathy ("mad cow" disease). Veterinary school graduates face a crushing debt burden of $120,000 on average, with an average starting salary of $61,000. For those who choose employment in underserved rural or inner-city areas or public health practice, the National Veterinary Medical Service Act authorizes the Secretary of Agriculture to forgive student debt. It also authorizes financial assistance for those who provide services during Federal emergency situations such as disease outbreaks.

APHIS/EMERGENCY MANAGEMENT SYSTEMS /DISASTER PLANNING FOR ANIMALS

We Request $1,001,000 (Level Funding) for Animal Care Under APHIS' Emergency Management Systems Line Item.—Hurricanes Katrina and Rita demonstrated that many people refuse to evacuate if they are forced to leave their pets behind. The Animal Care division has been asked to develop infrastructure to help prepare for and respond to animal issues in a disaster and incorporate lessons learned from previous disasters. These funds will be used for staff time and resources to support State and local governments' and humane organizations' efforts to plan for protection of people with animals. The additional resources will enable the agency to participate, in partnership with FEMA, in the National Response Plan without jeopardizing other Animal Care programs.

ANIMAL WELFARE INFORMATION CENTER

We Request $1,978,400 for AWIC.—These funds will enable AWIC to improve its services as a clearinghouse, training center, and educational resource to help institutions using animals in research, testing and teaching comply with the requirements of the Animal Welfare Act, including consideration of alternatives to minimize or eliminate the use of animals in specific research protocols.

Again, we appreciate the opportunity to share our views and priorities for the Agriculture, Rural Development, FDA, and Related Agencies Appropriation Act of fiscal year 2010. We are grateful for the Committee's past support, and hope you will be able to accommodate these modest requests to address some very pressing problems affecting millions of animals in the United States. Thank you for your consideration.

PREPARED STATEMENT OF WHITEWAVE FOODS

My name is Kelly Shea, and I thank you for the opportunity to testify on behalf of WhiteWave Foods regarding the growth of the organic industry and our support for the U.S. Department of Agriculture National Organic Program. Specifically, we support providing the Program with $8 million as authorized by Congress.

Headquartered in Broomfield, Colorado, WhiteWave Foods, a growing subsidiary of Dean Foods, is the home of several pioneer organic brands, including Horizon Organic, The Organic Cow, and Silk Soymilk. As the organic industry evolves, we continue to lead with insight, integrity, and an unwavering commitment to organic principles. With this in mind, we are strongly supportive of efforts to ensure the continued growth of the organic sector by providing additional funding for the U.S. Department of Agriculture (USDA) National Organic Program.

The National Organic Program (NOP) is rapidly outgrowing its present resource capacity. With retail sales at $24 billion and continuing to grow, certified operations in excess of 26,000, and 98 accredited certifying agents operating globally, the current NOP budget continually struggles to keep up with growing demands.

Consumer confidence is the key to growth in the organic market. Ensuring continued consumer confidence requires consistent and adequate enforcement of the organic rule to ensure the integrity of the USDA organic seal. Therefore, adequate funding is required to enable the NOP to hire additional staff and continue to do a credible job of re-accreditation and investigating non-compliances. Additional resources are needed for both addressing gaps in the regulations and increasing compliance and enforcement activity. The long run objective is to maintain the integrity of the USDA organic seal for consumers who are willing to purchase organic products, produced according to a set of sustainable practices voluntarily subscribed to by producers and processors, based on legislation and regulations they initiated nearly two decades ago.

The baseline for the NOP for the 2009 fiscal year is approximately $3 million. However, a portion of the budget is, and has been, a "pass-through" for funding of the Federal-State Marketing Improvement Program (FSMIP). FSMIP provides matching funds to State Departments of Agriculture and other appropriate State agencies to assist in exploring new market opportunities for U.S. food and agricultural products, and to encourage research and innovation aimed at improving the efficiency and performance of the U.S. marketing system.

To facilitate the continued expansion of the organic industry, we support fully funding the operations of the NOP at the $8 million level authorized by Congress.[1] We are strongly supportive of an increase in funding that could be allocated towards strengthening the accreditation process (training, education, audit, review, and compliance) for domestic and foreign certifying agents who are certifying to the NOP; international standards recognition and conformity assessment; standards development (new standards needed and continuing to improve existing standards as the industry develops); and enforcement through audits, investigative compliance and review (the NOP receives over 100 complaints per year).

We appreciate your consideration of our requests; we believe that this increased funding will be critical to the continued growth of the organic sector. We thank you for the opportunity to testify today and look forward to working with you in the future.

PREPARED STATEMENT OF THE WILDLIFE SOCIETY

The Wildlife Society appreciates the opportunity to submit testimony concerning the fiscal year 2010 budgets for the Animal Plant Health Inspection Service (APHIS), Cooperative State Research, Education and Extension Services (CSREES), and Natural Resources Conservation Service (NRCS). The Wildlife Society represents over 8,000 professional wildlife biologists and managers dedicated to sound wildlife stewardship through science and education. The Wildlife Society is committed to strengthening all Federal programs that benefit wildlife and their habitats on agricultural and other private land.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

Wildlife Services (WS), a unit of APHIS, is responsible for controlling wildlife damage to agriculture, aquaculture, forest, range, and other natural resources, wildlife-borne diseases, and wildlife at airports. Its activities are based on the principles of wildlife management and integrated damage management, and are carried out

[1] The Food, Conservation, and Energy Act of 2008 (Section 10303: National Organic Program).

cooperatively with state fish and wildlife agencies. The President's budget would allocate $345 million to this program. The Wildlife Society recommends that Congress increase funding for this important program in fiscal year 2010, to at least the fiscal year 2009 level of $351 million.

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE

The Renewable Resources Extension Act (RREA) provides an expanded, comprehensive extension program for forest and rangeland renewable resources. The RREA funds, which are apportioned to State Extension Services, effectively leverage cooperative partnerships at an average of four to one, with a focus on private landowners. The need for RREA educational programs is greater than ever today because of continuing fragmentation of ownership, urbanization, the diversity of landowners needing assistance, and increasing societal concerns about land use and the impact on natural resources including soil, water, air, wildlife and other environmental factors. The Wildlife Society recommends that the Renewable Resources Extension Act be funded at $30 million, as authorized in the 2008 Farm Bill.

The McIntire-Stennis Cooperative Forestry Program is essential to the future of resource management on non-industrial private forestlands, as forest products are produced while conserving natural resources, including fish and wildlife. As demand for forest products grow, privately held forests will increasingly be needed to supplement supplies, but trees suitable for harvest take decades to produce. In the absence of long-term and on-going research, such as provided through McIntire-Stennis, the nation could be unable to meet future forest-product needs. We appreciate the over $27 million in funding allocated in the fiscal year 2009 omnibus and recommended in the fiscal year 2010 proposal, and encourage a further increase in fiscal year 2010.

NATURAL RESOURCES CONSERVATION SERVICE

The Farm Bill conservation programs are more important than ever given huge backlogs of qualified applicants for these programs, increased pressure on farmland from the biofuels boom, sprawling development, and the ongoing declines in wildlife habitat and water quality. We are very concerned by the proposed decreases in the Farm Bill conservation programs in fiscal year 2010. The Wildlife Society recommends that the Farm Bill conservation programs be funded at the levels mandated in the 2008 Farm Bill. In particular, we encourage full funding of the Wildlife Habitat Incentive Program at $85 million. In addition, we note that 4 million acres of Conservation Reserve Program contracts are expiring. CRP should be funded at a level that allows for full enrollment of authorized CRP acres.

FARM SERVICE AGENCY

The Voluntary Public Access and Habitat Incentive Program was authorized by the 2008 Farm Bill, to encourage farmers and ranchers to allow public access on their lands. We support funding at $16.67 million per year for the period 2010–2012, as recommended by the President.

Thank you for considering the views of wildlife professionals. We look forward to working with you and your staff to ensure adequate funding for wildlife conservation.

PREPARED STATEMENT OF THE HUMANE SOCIETY OF THE UNITED STATES

On behalf of the undersigned animal welfare and horse industry organizations, with combined supporters exceeding 12 million, we submit the following testimony seeking an increase in funding for the USDA/APHIS Horse Protection Program to at least $1 million for fiscal year 2010. This funding is urgently needed to begin to fulfill the intent of the Horse Protection Act—to eliminate the cruel practice of soring—by allowing the USDA to strengthen its enforcement capabilities for this law.

In 1970, Congress passed the Horse Protection Act to end soring, the intentional infliction of pain to the hooves and legs of a horse to produce an exaggerated gait, practiced primarily in the Tennessee Walking Horse show industry. The Act authorizes the USDA to inspect Tennessee Walking Horses and Racking Horses—in transport to and at shows, exhibits, auctions and sales—for signs of soring, and to pursue penalties against violators. Unfortunately, since its inception, enforcement of the act has been plagued by underfunding. As a result, the USDA has never been able to adequately enforce the act, allowing this extreme and deliberate cruelty to persist on a widespread basis.

The most effective way to eliminate soring and meet the goals of the Horse Protection Act is to have USDA officials present at more shows. Current funding levels allow USDA officials to attend only about 6 percent of more than 500 Tennessee Walking Horse shows held annually. As a result, the agency opted to institute an industry-run system of certified Horse Industry Organizations (HIO) inspection programs, which are charged with inspecting horses for signs of soring at the majority of shows. These groups license examiners known as Designated Qualified Persons (DQPs) to conduct inspections. To perform this function, they often hire industry insiders who have an obvious stake in preserving the status quo.

Statistics clearly show that when USDA inspectors are in attendance to oversee shows, the numbers of noted violations are many times higher than at shows where industry inspectors alone are conducting the inspections. And when USDA inspectors do arrive at shows, many exhibitors load up and leave to avoid being caught with sored horses. Agency officials have stated that inspectors are wary of going outside of their designated inspection area to examine horses on trailers as they leave the show grounds or in the barn areas, for fear of harassment and physical violence from exhibitors. Recently, armed security has been utilized to allow such inspections, at additional expense to this program. The fact that exhibitors feel they can intimidate government officials without penalty is a testament to the inherent shortcomings of the current system. By all measures, the overall DQP program has been a failure—the only remedy is to abolish it or greatly reduce dependence on this conflicted industry-run program of self-regulation and give USDA the resources it needs to adequately enforce the act.

Lack of a consistent presence by USDA officials at Tennessee Walking Horse shows, sales, exhibits and auctions has fostered a cavalier attitude among industry insiders, who have not stopped their abuse, but have only become more clandestine in their soring methods. The continued use of soring to gain an advantage in the show ring has tainted the Tennessee Walking Horse industry as a whole, and creates an unfair advantage for those who are willing to break the law in pursuit of victory.

Besides the indefensible suffering of the animals themselves, the continued acceptance of sored horses in the show ring prevents those with sound horses from competing fairly for prizes, breeding fees and other financial incentives, while those horse owners whose horses are sored may unwittingly suffer property damage and be duped into believing that their now abused, damaged horses are naturally superior.

Currently, the means of inspection involves a physical palpation by the inspector. New technologies, such as thermography and "sniffer" devices (gas chromatography/mass spectrometry machines), have been developed, which can help inspectors identify soring more effectively and objectively. However, USDA has been unable to purchase and put enough of this equipment in use in the field, allowing for industry insiders to continually evade detection. With increased funding, the USDA could purchase this equipment and train more inspectors to use it properly, greatly increasing its ability to enforce the Horse Protection Act (HPA).

The egregious cruelty of soring is not only a concern for animal protection and horse industry organizations, but also for veterinarians. Last year, the American Association of Equine Practitioners (AAEP) issued a white paper condemning soring, calling it "one of the most significant welfare issues faced by the equine industry." It called for the abolition of the DQP Program, saying "the acknowledged conflicts of interest which involve many of them cannot be reasonably resolved, and these individuals should be excluded from the regulatory process." The AAEP further stated, "The failure of the HPA to eliminate the practice of soring can be traced to the woefully inadequate annual budget of $500,000 allocated to the USDA to enforce these rules and regulations."

It is unacceptable that nearly 40 years after passage of the Horse Protection Act, the USDA still lacks the resources needed to end this extreme form of abuse. It is time for Congress to give our public servants charged with enforcing this Act the support and resources they want and need to fulfill their duty to protect these horses as effectively and safely as possible.

We appreciate the opportunity to share our views about this serious problem, and thank you for your consideration of our request.

LIST OF WITNESSES, COMMUNICATIONS, AND PREPARED STATEMENTS

SUBJECT INDEX

DEPARTMENT OF AGRICULTURE

OFFICE OF THE SECRETARY

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